

Annual Report 2024



Al-Ghazi Tractors Limited

Empowering Farmers  
with Reliable Performance



## 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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# 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 Sejourne**  
Non-Executive Director

**Mr. Vincent De Lassagne**  
Non-Executive Director

**Mr. Shahid Shahbaz Toor**  
Independent Director

**Mr. Mirza Malik**  
Independent Director

**Ms. Samiha Zahid**  
Independent Director

## Chief Executive Officer

**Mr. Sakib Eltaff**

## Audit Committee

**Mr. Malik Mirza**  
Chairman, Independent Director

**Mr. Marco Votta**  
Member, Non-Executive Director

**Mr. Malik Ehtisham Ikram**  
Member, Non-Executive Director

## Human Resource & Remuneration Committee

**Ms. Samiha Zahid**  
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 Shares Registration Services (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, 16<sup>th</sup> 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 categorical: "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 9.19 billion
- Assets PKR 20.39 billion

### Manufactured Capital

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

### Human Capital

- 413 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: PKR 61

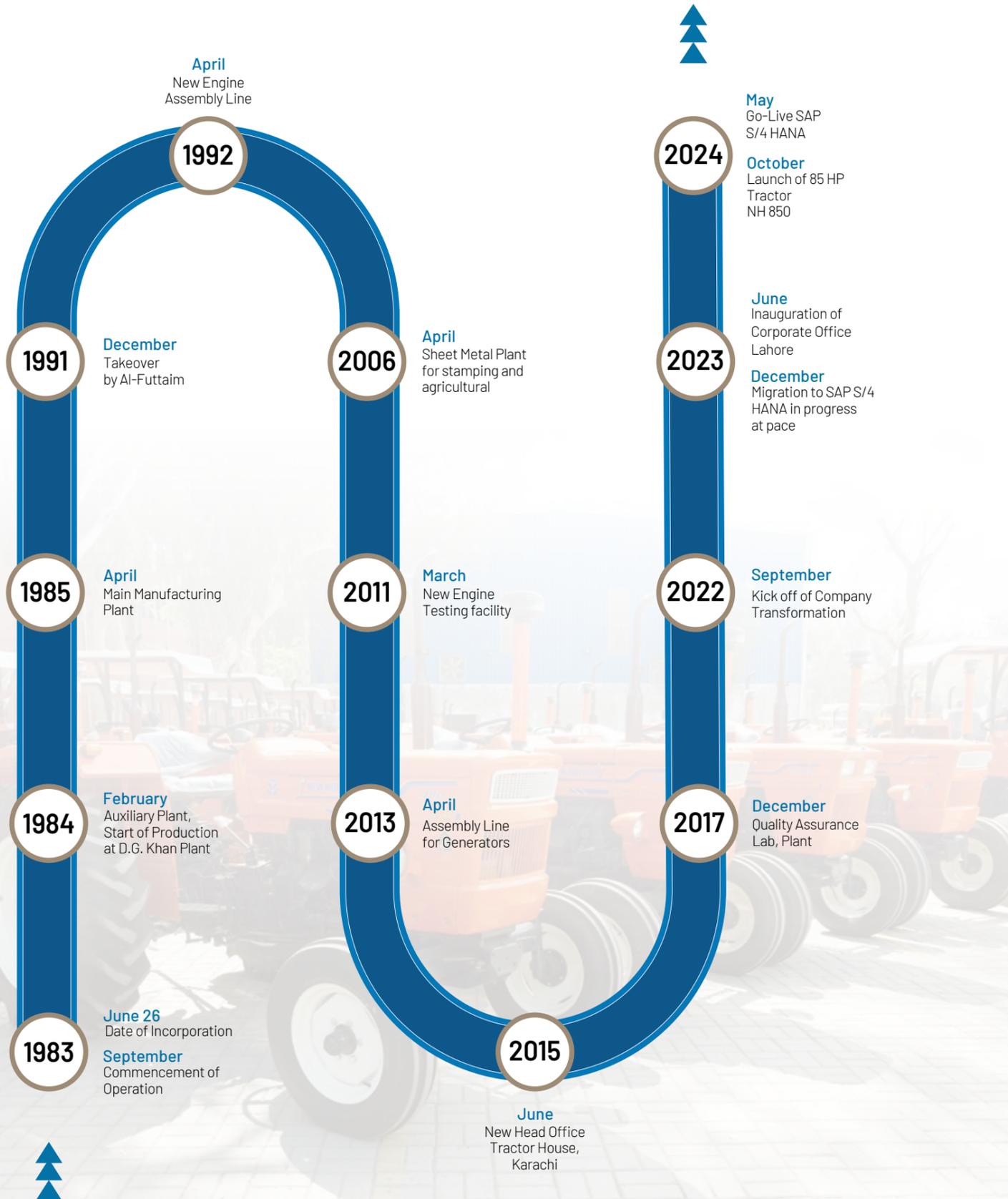
### Employees

- 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 4.7 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.

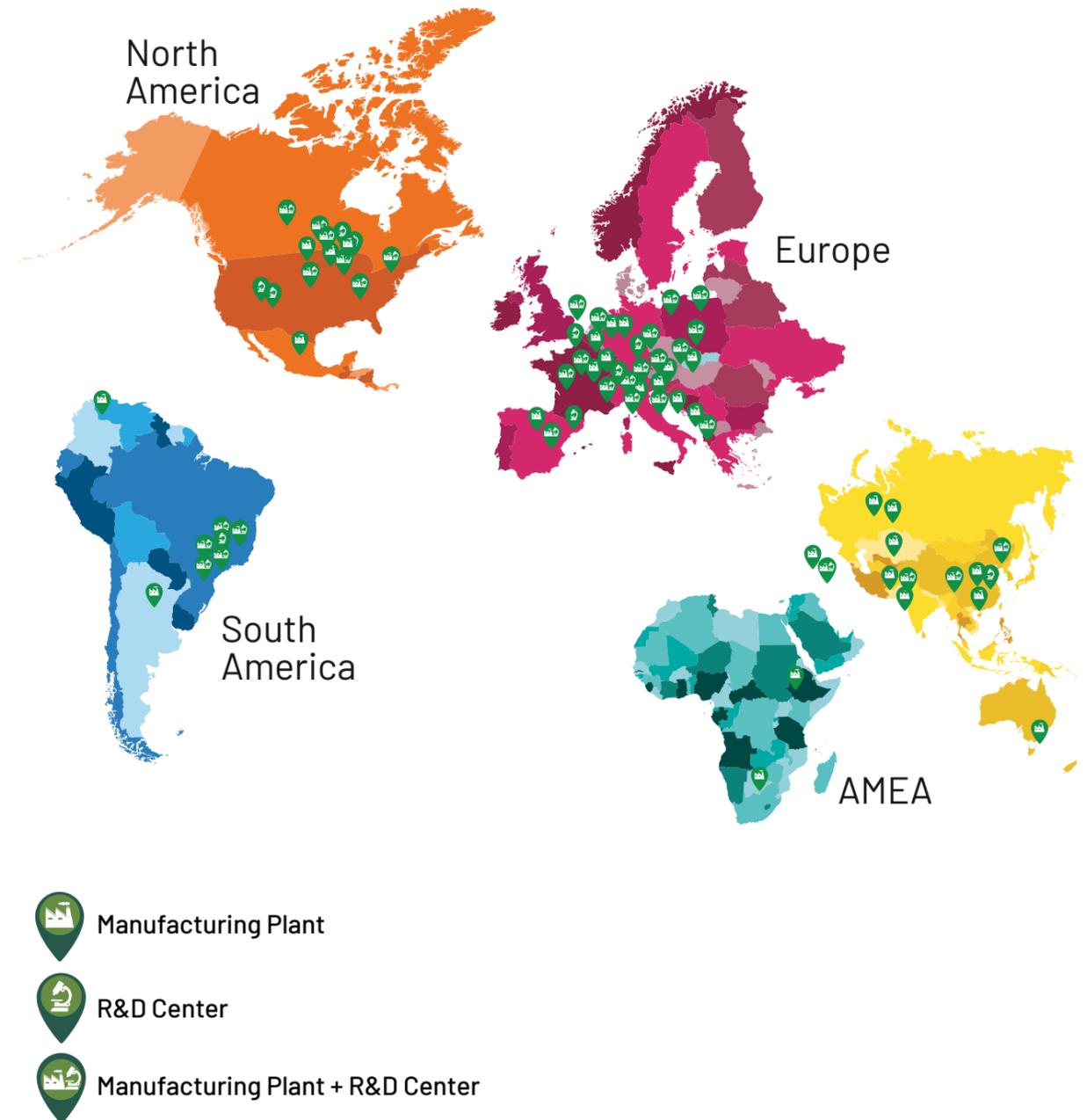
CNH Industrial is an international front-runner in the capital goods sector that designs, produces and sells agricultural and construction equipment (tractors, combines, excavators), wheel loaders, trucks, commercial vehicles, buses and specialty vehicles (including firefighting and civil protection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



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. Robert McAllister**  
Chairman, 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 21-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. Dmitrii Bogatyrev**  
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 20 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. Malik Ehtisham Ikram**  
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. Vincent De Lassagne**  
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. Matthieu Séjourné**  
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.

**Mr. Marco Votta**  
Non-Executive Director

Board of Directors



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.

**Mr. Shahid Shahbaz Toor**  
Independent Non-Executive Director



Ms. Samiha is an illustrious business professional with over 20 years of experience across the domains of Human Resources, Banking and Fintech. She built a robust career marked by her leadership and subject matter expertise, having contributed significantly in a broad spectrum of business functions to diverse organizations throughout her career.

Currently leading a financial institute as the Chief Human Resources Officer, Samiha brings to the Board a wealth of experience, strategic foresight, and a growth-oriented mindset. Her dedication and commitment to corporate governance, coupled with her deep expertise in organizational transformations & redesigns have further underscored her strategic and business acumen. Her sharp and insightful perspectives are indeed a great strength ensuring that the organization remains focused on progress and governance in alignment with its vision.

Samiha is a passionate advocate for economic empowerment and gender equality, and has been instrumental in designing and implementing forward-thinking HR strategies that enhance employee engagement, drive organizational effectiveness, and foster inclusive work environments.

In addition to her professional achievements, she is a certified Board Director, holds a Master's degree in Public Administration, and is a Certified Trainer, demonstrating her commitment to continuous learning and professional development.

**Ms. Samiha Zahid**  
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.

**Mr. Malik Mirza**  
Independent Non-Executive Director

Management



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 Oil & 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. Sakib Eltaff**  
Chief Executive Officer



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 31 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. Javed Iqbal**  
Chief Financial Officer



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. Mansoor Khan**  
Company Secretary



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

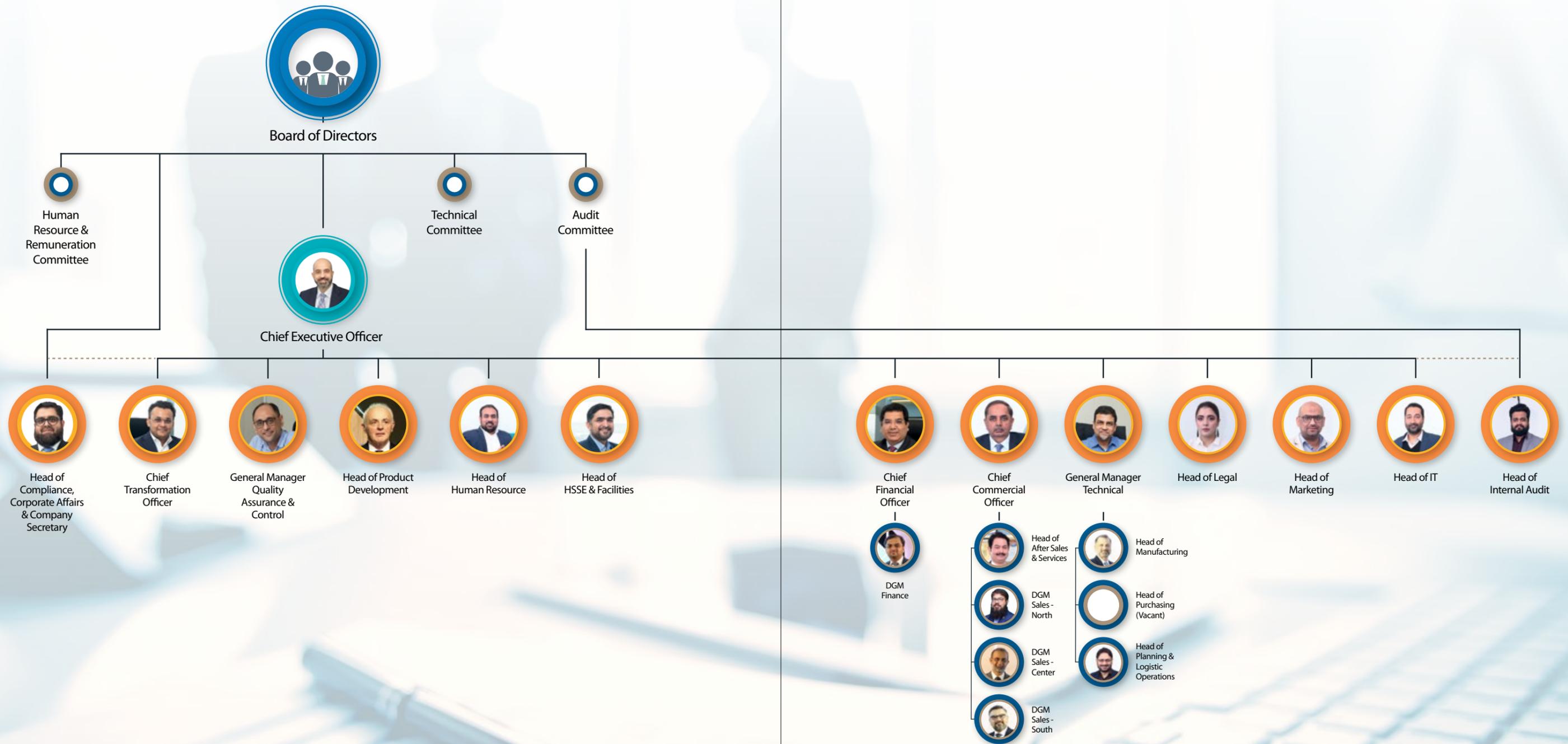
He has more than 10 years of experience in the field of Audit & Assurance, Risk Advisory and Compliance. Muneeb joined AGTL in February 2021 as Lead Auditor and was later promoted to Head of Internal Audit.

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.

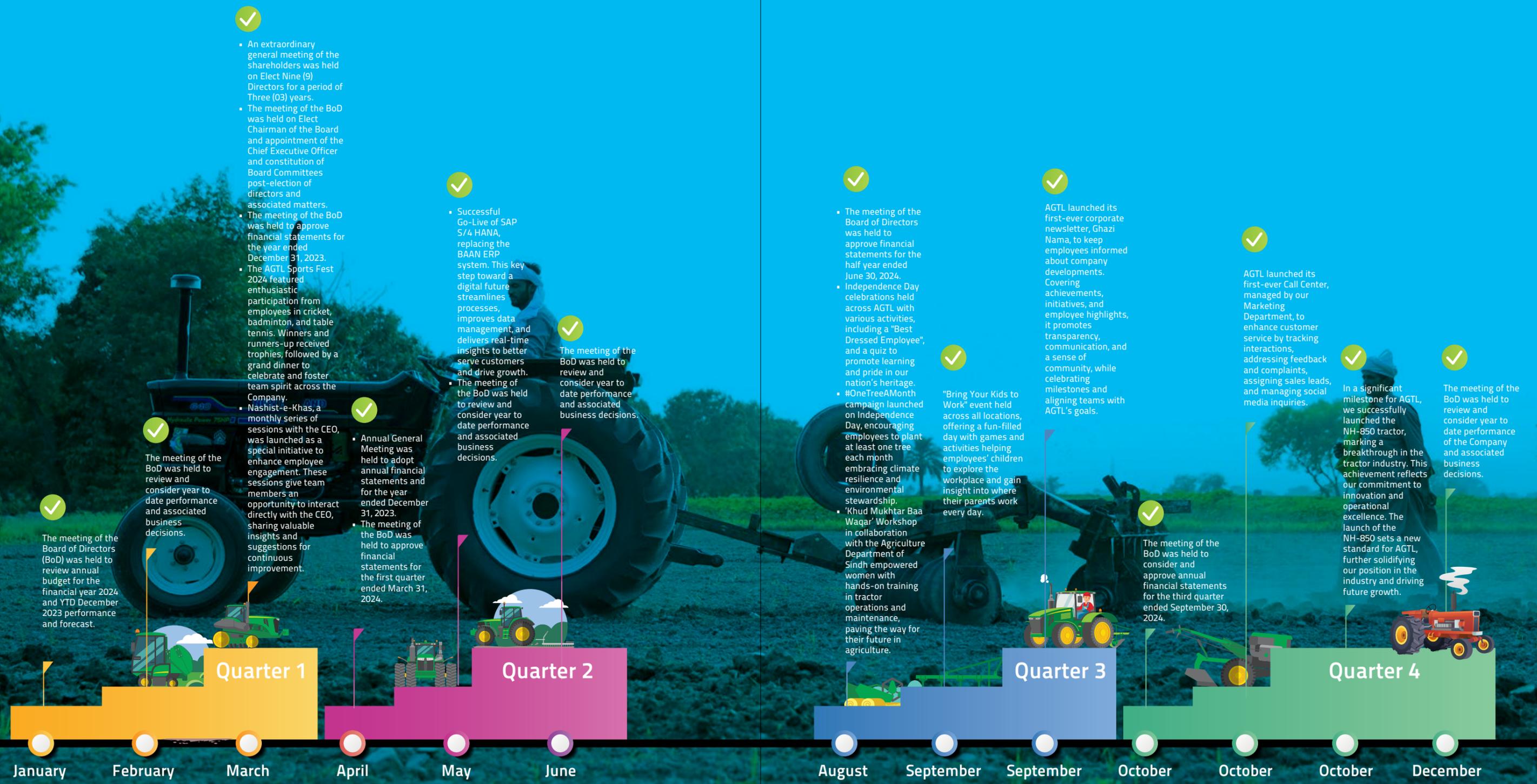
He is an ACCA Member, CA-Intermediate and has completed his articleship from KPMG Taseer Hadi & Co., Karachi, Pakistan.

**Mr. Muneeb Ahmed Khan**  
Chief Internal Auditor

# ORGANIZATIONAL CHART



# SIGNIFICANT EVENTS 2024



✓  
The meeting of the Board of Directors (BoD) was held to review annual budget for the financial year 2024 and YTD December 2023 performance and forecast.

✓  
The meeting of the BoD was held to review and consider year to date performance and associated business decisions.

✓  
An extraordinary general meeting of the shareholders was held on Elect Nine (9) Directors for a period of Three (03) years.  
The meeting of the BoD was held on Elect Chairman of the Board and appointment of the Chief Executive Officer and constitution of Board Committees post-election of directors and associated matters.

✓  
The meeting of the BoD was held to approve financial statements for the year ended December 31, 2023.  
The AGTL Sports Fest 2024 featured enthusiastic participation from employees in cricket, badminton, and table tennis. Winners and runners-up received trophies, followed by a grand dinner to celebrate and foster team spirit across the Company.

✓  
Nashist-e-Khas, a monthly series of sessions with the CEO, was launched as a special initiative to enhance employee engagement. These sessions give team members an opportunity to interact directly with the CEO, sharing valuable insights and suggestions for continuous improvement.

✓  
Annual General Meeting was held to adopt annual financial statements and for the year ended December 31, 2023.  
The meeting of the BoD was held to approve financial statements for the first quarter ended March 31, 2024.

✓  
Successful Go-Live of SAP S/4 HANA, replacing the BAAN ERP system. This key step toward a digital future streamlines processes, improves data management, and delivers real-time insights to better serve customers and drive growth.

✓  
The meeting of the BoD was held to review and consider year to date performance and associated business decisions.

✓  
The meeting of the Board of Directors was held to approve financial statements for the half year ended June 30, 2024.  
Independence Day celebrations held across AGTL with various activities, including a "Best Dressed Employee", and a quiz to promote learning and pride in our nation's heritage.  
"OneTreeAMonth" campaign launched on Independence Day, encouraging employees to plant at least one tree each month embracing climate resilience and environmental stewardship.  
"Khud Mukhtar Baa Waqar" Workshop in collaboration with the Agriculture Department of Sindh empowered women with hands-on training in tractor operations and maintenance, paving the way for their future in agriculture.

✓  
"Bring Your Kids to Work" event held across all locations, offering a fun-filled day with games and activities helping employees' children to explore the workplace and gain insight into where their parents work every day.

✓  
AGTL launched its first-ever corporate newsletter, Ghazi Nama, to keep employees informed about company developments. Covering achievements, initiatives, and employee highlights, it promotes transparency, communication, and a sense of community, while celebrating milestones and aligning teams with AGTL's goals.

✓  
The meeting of the BoD was held to consider and approve annual financial statements for the third quarter ended September 30, 2024.

✓  
AGTL launched its first-ever Call Center, managed by our Marketing Department, to enhance customer service by tracking interactions, addressing feedback and complaints, assigning sales leads, and managing social media inquiries.

✓  
In a significant milestone for AGTL, we successfully launched the NH-850 tractor, marking a breakthrough in the tractor industry. This achievement reflects our commitment to innovation and operational excellence. The launch of the NH-850 sets a new standard for AGTL, further solidifying our position in the industry and driving future growth.

✓  
The meeting of the BoD was held to review and consider year to date performance of the Company and associated business decisions.



# MESSAGE FOR STAKEHOLDERS

## CHAIRMAN'S REVIEW

### Company's Performance Overview

During the period under review, Pakistan's economy exhibited a positive trajectory, characterized by declining inflation, supported by growth in exports, remittances, and foreign reserves, alongside a reduction in the policy rate. Conversely, the tractor industry experienced a downturn due to a wheat price crisis that constrained farmers' liquidity, rising input costs, and the introduction of sales tax. Additionally, farmers deferred purchases in anticipation of subsidized tractors under the Government of Punjab's Green Tractor Scheme.

Despite a challenging business environment, Al-Ghazi Tractors Limited ("the Company") demonstrated resilience and steady growth. With a market share of 36%, the Company achieved sales of 14,269 tractors, generating a Sales revenue of Rs. 34.574 billion, marking a slight growth of 0.09% compared to the previous year's Rs. 34.543 billion. The Gross profit for the year stood at Rs. 8.434 billion, a growth of Rs. 2.011 billion or 31.32% from last year's Rs. 6.423 billion. Profit before Tax and Levy for the year ended 31 December 2024 amounted to Rs. 5.708 billion, reflecting a significant increase of 21.79% 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 directors' report.

The Company made significant progress in its transformation journey, enhancing product innovation, operational efficiency, and customer engagement. The launch of the NH 850, an 85 HP tractor, expanded the product portfolio, reflecting a commitment to meeting the evolving needs of farmers. A new test track, aligned with international standards, was introduced to strengthen product testing and quality assurance. Manufacturing operations were further optimized through process enhancements, including advanced washing facilities, shot-peening technology, and factory layout improvements. The successful implementation of SAP S/4 HANA marked a pivotal step in digital transformation, reinforcing business resilience and operational excellence. Additionally, the inauguration of the Company's first call center underscored its focus on customer engagement and service excellence, positioning it for sustainable growth and long-term value creation.

Looking ahead, our steadfast commitment to delivering products of uncompromised quality, including the newly launched NH 850 alongside our existing portfolio, will remain central to our strategic priorities. At the same time, the Company is focused on expanding its product range and executing robust business plans, with a strong emphasis on unlocking opportunities in export markets. I remain confident in the Company's ability to navigate future challenges effectively, driven by its clear alignment with our vision and mission.

### Contribution to Government Exchequer

During the period under review, the Company made a substantial contribution of Rs. 4.7 billion to the national exchequer. This contribution encompasses various taxes and duties, including income tax, withholding tax, customs duties, general sales tax, and other requisite levies.

### Board's Performance and Role Effectiveness

The Board of Directors ('the Board') consistently demonstrated strong performance, making significant contributions toward achieving the Company's strategic objectives throughout the year.

Committed to upholding the highest governance standards, the Board diligently fulfilled its responsibilities in full compliance with the Companies Act, 2017, and the Code of Corporate Governance. The Company adhered to best practices, as outlined in its 2024 Statement of Compliance with Corporate Governance. To ensure transparency, comprehensive directors' reviews accompanied all interim and annual financial statements for the financial year 2024. With a strong focus on oversight, the Board actively supervised the Company's operations, safeguarding shareholders' interests and promoting sustainable growth.

Recognizing that robust corporate governance is fundamental to accountability and trust, the Board established dedicated committees to enhance oversight and facilitate

effective decision-making. In 2024, the Board remained highly engaged, convening ten meetings, with its committees holding an additional eighteen meetings. Through strategic leadership, the Board successfully guided the Company through a challenging economic landscape, fostering resilience and driving strong performance.

I extend my sincere gratitude to the esteemed members of the Board for their invaluable contributions to AGTL's success in 2024. I also deeply appreciate the unwavering trust and support of our shareholders, customers, suppliers, and stakeholders. A special acknowledgment goes to AGTL's dedicated management and employees, whose hard work and commitment have been instrumental in achieving our goals. As we move forward, I remain confident in AGTL's ability to navigate future challenges and create lasting value for all stakeholders.



**Robert Ian McAllister**  
Chairman

20<sup>th</sup> March 2025



*Robert Ian McAllister*  
Chairman

## چیمبر مین کا جائزہ

### کمپنی کی کارکردگی کا جائزہ

جائزہ شدہ مدت کے دوران، پاکستان کی معیشت نے مثبت رجحان کا مظاہرہ کیا، جس کی خصوصیات میں مہنگائی میں کمی، برآمدات، ترسیلات زر اور زر مبادلہ کے ذخائر میں اضافہ، اور پالیسی ریٹ میں کمی شامل ہیں۔ اس کے برعکس، ٹریڈر انڈسٹری کو مشکلات کا سامنا کرنا پڑا، جس کی وجوہات میں گندم کی قیمتوں کا بحران، کسانوں کی مالی مشکلات، پیداواری لاگت میں اضافہ اور سیزنگس کا نفاذ شامل تھے۔ مزید برآں، کسانوں نے حکومت پنجاب کی گرین ٹریڈر اسکیم کے تحت سبسڈائزڈ ٹریڈر کے منتظر رہتے ہوئے خریداری مؤخر کر دی۔

چیلنجنگ کاروباری ماحول کے باوجود، الغازی ٹریڈرز لمیٹڈ ("کمپنی") نے ثابت قدمی اور مسلسل ترقی کا مظاہرہ کیا۔ کمپنی نے 36% مارکیٹ شیئر کے ساتھ 14,269 ٹریڈرز فروخت کیے، جس سے 34,574 ارب روپے کی سیزر یونیو حاصل ہوئی، جو پچھلے سال کے 34,543 ارب روپے کے مقابلے میں 0.09% کا معمولی اضافہ ظاہر کرتی ہے۔ مجموعی منافع 8,434 ارب روپے رہا، جو پچھلے سال کے 6,423 ارب روپے کے مقابلے میں 2,011 ارب روپے یا 31.32% کا اضافہ ہے۔ 31 دسمبر 2024 کو ختم ہونے والے مالی سال کے دوران ٹیکس اور لیوی سے قبل منافع 5,708 ارب روپے رہا، جو پچھلے سال کے مقابلے میں 21.79% زائد ہے۔ یہ مالی کامیابیاں کمپنی کی پلک اور بدلتے ہوئے معاشی حالات میں مؤثر حکمت عملی کو ظاہر کرتی ہیں۔ کمپنی کی تفصیلی کارکردگی ڈائریکٹرز کی رپورٹ میں درج ہے۔

کمپنی نے اپنی تبدیلی کے سفر میں نمایاں پیش رفت کی، جس میں مصنوعات کی جدت، آپریشنل کارکردگی، اور کسٹمر انجمنٹ کو بہتر بنایا گیا۔ این ایچ 850، ایک 85 ہارس پاور ٹریڈر کے لانچ سے پروڈکٹ پورٹ فولیو میں توسیع ہوئی، جو کسانوں کی بدلتی ضروریات کو پورا کرنے کے عزم کی عکاسی کرتی ہے۔ بین الاقوامی معیارات کے مطابق ایک نیا ٹیسٹ ٹریک متعارف کرایا گیا تاکہ مصنوعات کی جانچ اور کوالٹی ایشرنس کو مزید مؤثر بنایا جاسکے۔ مینوفیکچرنگ آپریشنز کو مزید بہتر بنایا گیا، جس میں جدید واشنگ سہولیات، شاٹ پیکنگ ٹیکنالوجی، اور فیکٹری لے آؤٹ میں بہتری شامل ہے۔

ایس اے پی ایس / 4 ہاناکے کامیاب نفاذ نے ڈیجیٹل ٹرانسفارمیشن میں ایک اہم سنگ میل عبور کیا، جس سے کاروباری پلک اور آپریشنل عموگی کو مزید مستحکم کیا گیا۔ مزید برآں، کمپنی کے پہلے کال سینٹر کے افتتاح نے کسٹمر انجمنٹ اور سروس ایسیلینس پر اس کی توجہ کو اجاگر کیا، جو اسے پائیدار ترقی اور طویل مدتی ویلیو کریئیشن کے لیے تیار کر رہا ہے۔

### مستقبل کا وژن

مستقبل کی جانب دیکھتے ہوئے، ہماری ترجیح اعلیٰ معیار کی مصنوعات کی فراہمی پر مرکوز رہے گی، جس میں نیلا لانچ ہونے والا این ایچ 850 اور موجودہ پروڈکٹ پورٹ فولیو شامل ہے۔ ساتھ ہی، کمپنی مصنوعات کے دائرہ کار کو بڑھانے اور برآمدی منڈیوں میں مواقع تلاش کرنے پر کام کر رہی ہے۔ میں پُر اعتماد ہوں کہ

کمپنی اپنے وژن اور مشن کے مطابق مستقبل کے چیلنجز سے مؤثر انداز میں نمٹنے کی صلاحیت رکھتی ہے۔

### قومی خزانے میں شراکت

جائزہ شدہ مدت کے دوران، کمپنی نے 4.7 ارب روپے قومی خزانے میں جمع کروائے، جو مختلف ٹیکسوں اور ڈیویڈنڈز پر مشتمل ہے، بشمول انکم ٹیکس، ود ہولڈنگ ٹیکس، کسٹمز ڈیویڈنڈز، جنرل سیزنگ ٹیکس، اور دیگر قانونی واجبات۔

### بورڈ کی کارکردگی اور مؤثر قیادت

بورڈ آف ڈائریکٹرز ("بورڈ") نے پورے سال کے دوران کمپنی کی حکمت عملی کے اہداف کے حصول میں نمایاں کردار ادا کیا۔

اعلیٰ سطح کے گورننس معیارات پر عمل کرتے ہوئے، بورڈ نے اپنی ذمہ داریاں کمپنیز ایکٹ 2017 اور کارپوریٹ گورننس کوڈ کے مطابق مکمل دیانت داری سے نبھائیں۔ کمپنی نے 2024 کے اسٹیٹمنٹ آف کمپلائنس میں درج بہترین روایات پر عمل کیا، اور شفافیت کو یقینی بنانے کے لیے تمام عبوری اور سالانہ مالیاتی رپورٹس کے ساتھ تفصیلی ڈائریکٹرز کے جائزے بھی شامل کیے گئے۔

بورڈ نے آپریشنز کی نگرانی میں فعال کردار ادا کیا، شیئر ہولڈرز کے مفادات کا تحفظ کیا، اور پائیدار ترقی کو فروغ دیا۔ اس مقصد کے لیے، بورڈ نے خصوصی کمیٹیاں تشکیل دیں تاکہ بہتر نگرانی اور مؤثر فیصلہ سازی کو یقینی بنایا جاسکے۔ سال 2024 میں، بورڈ نے 10 اجلاس منعقد کیے، جبکہ اس کی کمیٹیوں نے مزید 18 اجلاس منعقد کیے۔

### اظہار تشکر

میں بورڈ کے معزز اراکین کا شکریہ ادا کرتا ہوں، جنہوں نے الغازی کی کامیابی میں کلیدی کردار ادا کیا۔ میں شیئر ہولڈرز، صارفین، سپلائرز، اور دیگر اسٹیک ہولڈرز کے غیر متزلزل اعتماد اور حمایت پر تہہ دل سے مشکور ہوں۔

خصوصی شکریہ الغازی کی مینجمنٹ اور ملازمین کا، جن کی محنت اور لگن نے ہمیں اپنے اہداف حاصل کرنے میں مدد دی۔ مجھے پختہ یقین ہے کہ الغازی آنے والے چیلنجز کا کامیابی سے مقابلہ کرے گا اور تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرے گا۔

*Ramit Amin*

رابرٹ امین میک ایلسٹر

چیمبر مین

20 مارچ 2025ء

رابرٹ امین میک ایلسٹر  
چیمبر مین



## 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 2024.

### Operating Results

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

	2024	2023
	(Rupees in '000)	
Sales	34,574,430	34,543,545
Gross profit	8,434,686	6,423,068
Profit before taxation and levy	5,708,700	4,687,092
Taxation	(2,166,425)	(2,075,320)
<b>Profit after tax</b>	<b>3,542,275</b>	<b>2,611,772</b>
Other comprehensive income	(125,587)	36,368
<b>Total income</b>	<b>3,416,688</b>	<b>2,648,140</b>

### Dividend & General Reserve

For the year ended 31 December 2024, the Board, in its meeting held on 20 March 2025, proposed a final cash dividend of Rs. Nil per share, amounting to Rs. Nil. The decision not to declare a dividend is primarily driven by the Company's ongoing comprehensive transformation initiative. This initiative focuses on enhancing the product portfolio, improving customer experience, modernizing manufacturing operations, and adopting advanced technologies. The details of which are encapsulated in this report.

### Earnings Per Share

The Basic earnings per share were Rs. 61.11 in 2024 compared to Rs. 45.06 in 2023.

### Economic Background

The economic landscape of Pakistan in 2024 demonstrated a sustained positive trajectory, reflecting an optimistic outlook and strengthened macroeconomic fundamentals. Inflation continued to decelerate, declining year-on-year from 29.7% in December 2023 to 4.1% in December 2024, supported by increased exports, remittances, foreign reserves and an accommodative monetary policy stance. The policy rate was reduced from 22% in December 2023 to 13% in December 2024.

In contrast, Pakistan's tractor industry encountered substantial challenges, culminating in a 7% year-on-year decline in total industry volume—39,897 tractors were sold compared to 42,840 in the previous year. This downturn primarily resulted from a wheat price crisis during the first half of the year, which adversely affected farmers' liquidity in conjunction with elevated input costs. Moreover, the Federal Government, through the Federal Budget 2024-25 levied a 10% sales tax on tractors, thereby disrupting the tractor industry that had previously been exempt from sales tax until June 2024. Financial challenges caused by unresolved legacy refunds were exacerbated by the reinstatement of sales tax and the corresponding policy modification, which forced tractor manufacturers

to switch back to the former sales tax refund regime. In October 2024, the tax was subsequently increased to 14% with some relaxation in complex documentary formalities.

Furthermore, the industry experienced a contraction in volume as farmers anticipated acquiring tractors at subsidized rates under the Green Tractor Scheme (GTS) announced by the Government of Punjab. Nonetheless, the allocation of 3,530 units out of a total of 9,500 under GTS supported the Company in partially recovering its contracted sales volume.

### Performance Highlights

Despite these challenges in the business environment, AGTL sold 14,269 tractors in 2024, compared to 15,420 tractors in the same period last year, achieving a market share of 36%. The company generated sales revenue of Rs. 34.574 billion, up from Rs. 34.543 billion in the previous year, reflecting a slight growth of 0.09%. Gross profit for the year under review stood at Rs. 8.434 billion, compared to Rs. 6.423 billion last year, recording an increase of Rs. 2.011 billion, or 31.32%. Profit before Tax for the year ended 31 December 2024 reached Rs. 5.708 billion, representing a 21.79% increase over the previous year.

Profit after Tax for the year ended 31 December 2024 stood at Rs. 3.542 billion, compared to Rs. 2.611 billion in the previous year, reflecting an increase of 35.62%. This translated into earnings per share (EPS) of Rs. 61.11 per share. The increase in Profit after Tax, despite selling fewer tractors in 2024 compared to the previous year, was primarily achieved through rigorous cost control measures.

"Key Operating and Financial Data" and the "Horizontal and Vertical Analysis of Financial Statement" 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:

	2024	2023
	(Rupees in '000)	
Unappropriated profit – brought forward	5,490,404	2,842,264
Total income for the year	3,416,688	2,648,140
Transfer from general reserve to unappropriated profit	-	-
Amount available for appropriation	8,907,092	5,490,404
<b>Appropriation:</b>		
Dividend paid	-	-
Unappropriated profit – carried forward	8,907,092	5,490,404



## Directors' Report

### 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 Ian 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. Mr. Malik Mirza	Independent director
9. Ms. Samiha Zahid	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. Mr. Malik Mirza	Independent director
9. Ms. Samiha Zahid	Independent director
10. Ms. Farah Qureshi*	Independent director
11. Mr. Sakib Eltaff	CEO

\*During the period under review, Ms. Samiha Zahid was appointed as an Independent Director to fill the casual vacancy following the sad demise of Ms. Farah Qureshi, who previously held the position.

Additionally, the Board of Directors' elections were held in March 2024. All retiring directors were re-elected unopposed for a three-year term. Mr. Malik Mirza was newly elected as an Independent Director, joining the Board for the first time. Subsequently, the Board also re-elected Mr. Robert Ian McAllister as 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) Non-Executive directors	6
b) Independent directors	3
c) Executive directors	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

Mr. Malik Mirza	Chairman & Independent director
Mr. Marco Votta	Non-Executive director, Member
Mr. Malik Ehtisham Ikram	Non-Executive director, Member

#### (b) Human Resource & Remuneration Committee

Ms. Samiha Zahid	Chairperson & Independent director
Mr. Marco Votta	Non-Executive director, Member
Mr. Malik Ehtisham Ikram	Non-Executive director, Member
Mr. Sakib Eltaff	Chief Executive Officer, Member

#### (c) Technical Committee

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

### 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 35 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.7.91 million (2023: Rs. 8.59 million).

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

Chief executive officer	Rs.1.81 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.



## Directors' Report

**Business Continuity Plan**

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

**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.

The Company remains steadfast in its commitment to minimizing environmental impact, and has implemented a range of initiatives focused on energy conservation, reuse, recycling, and enhancing climate resilience and

adaptation. These efforts include environmental conservation, including tree plantation, and optimizing fuel efficiency to drive sustainable progress.

**Nature of Business**

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

**The Transformation Project**

During the year, the Company achieved significant milestones as part of its ongoing transformation journey.

The Company successfully launched the NH 850, an 85 HP tractor engineered to address the evolving needs of Pakistan's farmers. The launch of the NH 850 marks a significant milestone in our journey toward innovation and excellence. The launch of the 85 HP, the NH 850 tractor, enhanced the product portfolio and reflects our unwavering commitment to providing high quality products that enhance agricultural productivity in Pakistan.

The establishment of a new test track, aligned with international standards, further strengthened product testing and Pre-Delivery Inspection (PDI) processes, ensuring superior quality and reliability. Additionally, substantial advancements were also made in manufacturing operations, including the enhancement of washing facilities, implementation of shot-peening technology, and optimization of the factory layout to improve process efficiency and operational effectiveness.

The successful implementation of SAP S/4 HANA marked a pivotal step in the Company's digital transformation journey, reinforcing business resilience and driving operational excellence. These strategic initiatives collectively position the Company for sustainable growth, improved competitiveness, and long-term value creation for stakeholders. In line with its commitment to customer-centricity, the Company inaugurated its first-ever call center, aimed at enhancing engagement and responsiveness.

**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 except as disclosed in these financial statements.

**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. Furthermore, the Company has established a separate Risk Management Function for enterprise risk management.

**Future Development & Outlook**

Over the years, the Company has solidified its position as a key player in the industry, particularly in the 55 to 75 HP segments. With the introduction of NH 850, the Company is set to capture market share of 85 HP segment. The evolving market landscape

presents a significant opportunity to expand our market share across all HP categories by enhancing product capabilities and services for customers in agriculture, commercial, government, and other sectors, while simultaneously maximizing shareholder value. The ongoing transformation project will play a pivotal role in improvements across key business functions, including Supply Chain, Sales & Marketing, Production Enhancement & Development, and Information Technology.

Recognizing the dynamic nature of the business environment, the Company is proactively implementing risk mitigation strategies to address external challenges. However, the overall impact remains contingent on broader economic conditions and fiscal policies. Moving forward, AGTL remains committed to agility, resilience, and strategic expansion to reinforce its market leadership and deliver long-term value to stakeholders.



## Directors' Report

**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, 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.
- Ten meetings of the Board of Directors were held during the year, ten meetings of the Board's Technical Committee were held, and the number of meetings of the Board's Audit Committee held was seven. 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**

The Company is facing multiple risks and challenges that impact production, sales, and overall sustainability. These risks stem from economic conditions, government policies, market dynamics, and external uncertainties. The

Company has established a dedicated Risk Management Function to mitigate the risks and uncertainties. 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 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 2025.

**Financials on Website**

The financial results for the year 2024 will be available on the Company's website at [www.alghazitractors.com](http://www.alghazitractors.com).

**Acknowledgments**

The Board expresses gratitude to our employees, dealers, and principals — AI-Futtaim 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

20 March 2025



**Sakib Eltaff**  
Chief Executive Officer





### کریڈٹ ریٹنگ

کریڈٹ ریٹنگ پاکستان میں اداروں کی کریڈٹ پوزیشن کا جائزہ ہے۔ VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (وی آئی ایس) نے AGTL کی 'A+/A-1' (Single) اور 'A+Plus/A-One' کی درجہ بندی برقرار رکھی ہے۔ 'A+' کی لانگ ٹرم ریٹنگ اچھے کریڈٹ کے معیار اور مناسب تحفظ کے عوامل کی عکاسی کرتی ہے۔ معیشت میں ممکنہ تبدیلیوں کے ساتھ خطرے کے عوامل مختلف ہو سکتے ہیں۔ 'A-1' کی قلیل مدتی ریٹنگ بروقت ادائیگی کی اعلیٰ یقین دہانی کی نشاندہی کرتی ہے، اچھے بنیادی تحفظ کے عوامل کی مدد سے بہترین لیکویڈیٹی عوامل ہیں۔ خطرے کے عوامل معمولی ہیں۔ تقویض کردہ درجہ بندی پر آڈٹ لک 'مستحکم' ہے۔

### بنیادی خطرات، چیلنجز اور غیر یقینی صورتحال

کمپنی کو متعدد خطرات اور چیلنجز کا سامنا ہے جو پیداوار، فروخت اور مجموعی استحکام کو متاثر کرتے ہیں۔ یہ خطرات معاشی حالات، حکومتی پالیسیوں، مارکیٹ کی حرکیات اور غیر یقینی بیرونی صورتحال سے پیدا ہوتے ہیں۔ کمپنی نے خطرات اور غیر یقینی صورتحال کو کم کرنے کے لئے ایک خصوصی رسک مینجمنٹ فنکشن قائم کیا ہے۔ کمپنی کا مقصد اعلیٰ معیار کے ٹریکٹروں کی سب سے مناسب لاگت میں تیاری کے ساتھ مارکیٹ لیڈر کے طور پر اپنی پوزیشن کو مضبوط بنانا ہے۔ اس کا پائیدار مسابقتی فائدہ اس کے معیاری ٹریکٹروں میں مضمحل ہے۔

### بیرونی آڈیٹرز

موجودہ آڈیٹرز، میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، سالانہ جزل مینٹنگ کے دن ریٹائر ہونے والے ہیں۔ اہل ہونے کی وجہ سے انہوں نے خود کو دوبارہ تقرری کے لئے پیش کیا ہے۔ ڈائریکٹرز نے مالی سال 2025 کے لئے قانونی آڈیٹرز کے طور پر میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کے لئے آڈٹ کمیٹی کی سفارشات کی توثیق کی۔

### ویب سائٹ پر مالیاتی تفصیلات

سال 2024 کے مالیاتی نتائج کمپنی کی ویب سائٹ پر [www.alghazitractors.com](http://www.alghazitractors.com) پر دستیاب ہوں گے۔

### سٹائش و اظہار تشکر

بورڈ اپنے ملازمین، ڈیلرز اور اہم کاروباری شراکت دار Al-Futtaim اور CNH Industrial کے مسلسل تعاون اور لگن پر شکریہ ادا کرتا ہے۔ ہم آنے والے سالوں میں غیر معمولی نتائج فراہم کرنے کے لئے نہ صرف اپنی کارکردگی کو برقرار رکھنے بلکہ اسے بڑھانے کے لئے پرعزم ہیں۔

*Atta*

ثاقب الطاف  
سی ای او

*Ru Au*

رابرٹ میکالیسٹر  
چیئر مین بورڈ

20 مارچ 2025ء

### مستقبل کی ترقی و توقعات

گزشتہ برسوں کے دوران، کمپنی نے صنعت میں ایک کلیدی ادارہ کے طور پر اپنی پوزیشن کو خاص طور پر 55 سے 75 HP شعبوں میں مستحکم کیا ہے۔ NH850 کے متعارف ہونے کے ساتھ ہی کمپنی HP85 سیگمنٹ کے مارکیٹ شیئر پر برتری کے لئے تیار ہے۔ مارکیٹ کی بدلتی ہوئی صورتحال زراعت، تجارتی، سرکاری اور دیگر شعبوں میں صارفین کے لئے مصنوعات کی صلاحیتوں اور خدمات کو بڑھانے کی تمام کوششوں میں ہمارے مارکیٹ شیئر کو بڑھانے کا ایک اہم موقع پیش کرتی ہے، جبکہ اس کے ساتھ ساتھ شیئر ہولڈر کی قدر کو بھی زیادہ سے زیادہ کرتا ہے۔ اس بڑی تبدیلی کا منصوبہ اہم کاروباری افعال بشمول سپلائی چین، سیلز اینڈ مارکیٹنگ، پروڈکشن میں اضافہ و ترقی اور انفارمیشن ٹیکنالوجی کی بہتری میں اہم کردار ادا کرے گا۔ کاروباری ماحول کی متحرک نوعیت کو تسلیم کرتے ہوئے، کمپنی بیرونی چیلنجز سے نمٹنے کے لئے خطرے کو کم کرنے کی حکمت عملی پر فعال طور پر عمل درآمد کر رہی ہے۔ تاہم، مجموعی اثرات وسیع تر معاشی حالات اور مالی پالیسیوں پر انحصار کرتے ہیں۔ مزید برآں، AGTL اپنی مارکیٹ کی قیادت کو مضبوط بنانے اور اسٹیک ہولڈرز کو طویل مدتی قدر فراہم کرنے کے لئے تیز رفتار، پائیدار اور اسٹریٹجک توسیع کے لئے پرعزم ہے۔

### مالیاتی اور کارپوریٹ گورننس فریم ورک

کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تمام اہم ضروریات کی تعمیل کو یقینی بنایا ہے۔

مالیاتی اور کارپوریٹ گورننس / کنٹرول فریم ورک کے بارے میں گوشوارہ جات درج ذیل ہیں:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالی گوشواروں، اس کی حالت، اس کے آپریشنز کے نتائج، کیش فلو، اور لیکویڈیٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- مالی گوشواروں میں ظاہر کردہ اکاؤنٹنگ پالیسیوں کو مالی گوشواروں کی تیاری میں مستقل طور پر لاگو کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- ان مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتے ہیں، پر عمل کیا گیا ہے۔
- کمپنی نے پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کی مکمل پاسداری کی ہے۔
- ڈائریکٹرز، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ، کمپنی سیکرٹری اور ان کے شریک حیات اور نابالغ بچوں نے اس سال کے دوران کمپنی کے حصص میں کوئی لین دین نہیں کیا، سوائے اس کے کہ پی ایس ایکس ریگولیشنز اینڈ سیکیورٹیز ایکٹ 2015 کے مطابق وقتاً فوقتاً اسٹاک ایکسچینج / ایس ای سی پی کو آگاہ کیا گیا ہے۔
- اس سالانہ رپورٹ میں گزشتہ چھ سالوں کے اہم آڈٹ شدہ آپریٹنگ اور مالیاتی نتائج کو شامل کیا گیا ہے۔
- سال کے دوران بورڈ آف ڈائریکٹرز کے دس اجلاس منعقد ہوئے، بورڈ کی ٹیکنیکل کمیٹی کے دس اجلاس منعقد ہوئے، اور بورڈ کی آڈٹ کمیٹی کے منعقد ہونے والے اجلاسوں کی تعداد سات تھی۔ اس 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 ظاہر کی گئی ہیں۔
- بورڈ آڈٹ کمیٹی نے متعلقہ پارٹی ٹرانزیکشنز کا جائزہ لیا اور بورڈ نے ان کی منظوری دی۔ یہ لین دین انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس) اور کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق تھا۔ کمپنی اس طرح کے تمام لین دین کا مکمل اور مکمل ریکارڈ رکھتی ہے۔ متعلقہ پارٹی لین دین کی تفصیلات کمپنی کے مالی بیانات کے ایک نوٹ میں ظاہر کی جاتی ہیں۔
- بورڈ آڈٹ کمیٹی نے متعلقہ فریق کے لین دین کا جائزہ لیا، اور بورڈ نے ان کی منظوری دی۔ یہ لین دین انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) اور کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق تھے۔ کمپنی اس طرح کے تمام لین دین کا جامع اور مکمل ریکارڈ رکھتی ہے۔ متعلقہ فریق کے لین دین کی تفصیلات کمپنی کے مالی گوشواروں کے ایک نوٹ میں ظاہر کی گئی ہیں۔
- ٹیکس اور لیویز کے بارے میں معلومات مالی گوشواروں میں دی گئی ہیں۔

## ڈائریکٹرز رپورٹ

براہ کرم ڈائریکٹرز اور چیف ایگزیکٹو کے معاوضے کی تفصیلات کے لئے غیر جامع مالیاتی گوشواروں کے نوٹ 35 کو ملاحظہ کریں۔

ڈائریکٹرز کو فیس کی مدت میں سال بھر کے منافع یا نقصان کے گوشوارے پر وصول کی گئی مجموعی رقم 7.91 ملین روپے (2023 میں 8.59 ملین روپے) تھی۔

**تنخواہ، مراعات، فوائد اور فیس کی وجہ سے ڈائریکٹرز کے معاوضہ پیکج یہ ہیں:**

چیف ایگزیکٹو آفیسر	1.81 ملین روپے
ایگزیکٹو ڈائریکٹرز	صفر ملین روپے

## سی ای او کی کارکردگی کا جائزہ

سی ای او کی کارکردگی کو باضابطہ طور پر تشخیصی نظام کے ذریعے جانچا جاتا ہے جو مقدراری اور معیاری اقدار پر مبنی ہوتا ہے۔ اس میں کاروبار کی کارکردگی، منافع کے حوالے سے مقاصد کی تکمیل، تنظیم سازی، جانشینی کی منصوبہ بندی اور ادارہ جاتی کامیابی شامل ہیں۔

## شیئر ہولڈنگ کا طریقہ کار

کمپنی کے حصص رکھنے کا طریقہ کار ”سرمایہ کار تعلقات“ کے جزو کے تحت اس رپورٹ کے ساتھ منسلک کیا گیا ہے۔

## غیر ملکی ہولڈنگ پوزیشن

الفطیم انڈسٹریز کمپنی لبل ایل سی، متحدہ عرب امارات میں قائم ہے، جو 50.02 فیصد حصص کی حامل ہے، AGTL کی ہولڈنگ کمپنی ہے۔ نیدرلینڈز میں قائم CNH انڈسٹریل NV دوسری بڑی شیئر ہولڈر ہے، جس کے پاس AGTL کے 43.17 فیصد حصص ہیں۔

## کاروباری تسلسل کا منصوبہ

کمپنی کے اس تسلسل سے کام کرنے کی صلاحیت پر کوئی سنگین خدشات نہیں ہیں۔

## انوائزمنٹ، سوشل اینڈ گورننس (ای ایس جی)

کمپنی وسیع تر کاروباری منظر نامے کے اندر سماجی، ماحولیاتی اور اخلاقی عوامل کا فعال طور پر جائزہ لیتی ہے۔ یہ اپنے ذمہ داری خانہ پلانٹ میں تمام اسٹیک ہولڈرز، خاص طور پر کمیونٹی اور افرادی قوت کے بہترین مفادات کی خدمت کے لئے اپنے عزم پر قائم ہے، جو اس کے کسٹمر اور ملازمین کی بنیاد کا ایک اہم حصہ ہے۔

کاروباری سماجی ذمہ داری (سی ایس آر) رپورٹ، جو صحت اور حفاظت، انسانی وسائل، سماجی، ماحولیاتی اور متعلقہ امور کے لئے کمپنی کے نقطہ نظر پر روشنی ڈالتی ہے، اور اس سالانہ رپورٹ کے اندر پائیداری رپورٹ، میں شامل ہے۔

سال بھر کمپنی نے مختلف CSR سرگرمیاں جاری رکھی ہیں جن میں مقامی ٹیلنٹ کو پروان چڑھانے، خصوصی ضروریات کے حامل افراد کو روزگار اور بالخصوص ذمہ داری خانہ میں کمیونٹی ویلفیئر میں فعال شمولیت جیسے اقدامات پر توجہ مرکوز کی گئی۔ صنعتی تعلقات کو بہتر بنانے، صارفین کے تحفظ کو یقینی بنانے اور کاروباری اخلاقیات کو برقرار رکھنے کے لئے بھی کاوشیں کی گئیں۔

کمپنی ماحولیاتی اثرات کو کم سے کم کرنے کے اپنے عزم پر ثابت قدم ہے، جس نے توانائی کے تحفظ، دوبارہ استعمال، ری سائیکلنگ، اور موسمیاتی استحکام اور موافقت بڑھانے پر توجہ مرکوز کرنے والے متعدد اقدامات پر عمل درآمد کیا ہے۔ ان کاوشوں میں ماحولیاتی تحفظ شامل ہے، جن میں درختوں کی شجر کاری، اور پائیدار ترقی کے عمل آگے بڑھانے کے لئے ایندھن کی کارکردگی کو بہتر بنانا شامل ہے۔

## صنعتی بنیاد پر تنخواہ کے فرق کا افسانہ

ایس ای سی پی کے 2024 کے سرکلر 10 کے مطابق 31 ستمبر 2024 کو ختم ہونے والے سال کے لئے صنعتی تنخواہ کے فرق کا حساب ذیل میں اس طرح لگایا گیا ہے:

- اوسط صنعتی تنخواہ کا فرق: 11.3 فیصد
- مجموعی اوسط صنعتی تنخواہ کا فرق: (21.3 فیصد)

## کاروبار کی نوعیت

مالی سال کے دوران کمپنی کے کاروبار کی نوعیت کے بارے میں کوئی تبدیلی نہیں آئی ہے۔

## تبدیلی کا بڑا منصوبہ

اس سال کے دوران، کمپنی نے اپنے جاری بڑی تبدیلی کے سفر کے طور پر اہم سنگ میل حاصل کئے۔

کمپنی نے پاکستان کے کاشتکاروں کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لئے تیار کردہ HP85 ٹریکٹر NH850 کو کامیابی سے متعارف کیا۔ NH850 کا آغاز جدت اور مہارت کی جانب ہمارے سفر میں ایک اہم سنگ میل کی حیثیت رکھتا ہے۔ HP، 850NH85 ٹریکٹر کے اجراء نے اسکی مصنوعات کے پورٹ فولیو میں اضافہ کیا ہے اور پاکستان میں زرعی پیداوار میں اضافے کے لئے اعلیٰ معیار کی مصنوعات کی فراہمی سے متعلق ہمارے غیر متزلزل عزم کی عکاسی کرتا ہے۔

بین الاقوامی معیار کے مطابق ایک نئے ٹیسٹ ٹریک کے قیام نے مصنوعات کی جانچ اور پری ڈیوری انسپشن (پی ڈی آئی) کے عمل کو مزید مستحکم کیا، اعلیٰ معیار اور پائیداری کو یقینی بنایا۔ مزید برآں، مینوفیکچرنگ آپریشنز میں بھی خاطر خواہ پیش رفت کی گئی، جس میں واشنگ کی سہولیات میں اضافہ، شاٹ پیٹنگ ٹکنالوجی کا نفاذ، اور عمل کی کارکردگی اور آپریشنل مہارت کو بہتر بنانے کے لئے فیکٹری کے نظام کو بہتر بنانا شامل ہے۔

SAPS/4HANA کے کامیاب نفاذ نے کمپنی کے ڈیجیٹل تبدیلی کے سفر میں ایک اہم قدم اٹھایا ہے جس سے کاروباری چلک کو تقویت ملی اور آپریشنل عموگی کو بڑھایا گیا۔ یہ تیزو رفتی اقدامات اجتماعی طور پر کمپنی کو پائیدار ترقی، بہتر مسابقت، اور اسٹیک ہولڈرز کے لئے طویل مدتی اہمیت پیدا کرنے کے لئے کھڑا کرتے ہیں۔ صارفین پر توجہ مرکوز کرنے کے عزم کے مطابق کمپنی نے اپنے پہلے کال سینٹر کا افتتاح کیا جس کا مقصد سرگرمیاں اور کارکردگی کو بڑھانا ہے۔

## ادائیگیوں، قرضوں، ٹیکسز ویویزی کی نلادہندگی

بہترین کاروباری معیار کے مطابق کام کرتے ہوئے، کمپنی واجب الادا رقم کی بروقت ادائیگی کرنے کی اپنی ذمہ داری کو تسلیم کرتی ہے۔ زیر جائزہ سال کے دوران قرض یا قرض کی ادائیگی میں ڈیفالٹ کا کوئی واقعہ رونما نہیں ہوا۔ مزید برآں، مالی سال کے اختتام تک ان مالی گوشواروں میں ظاہر کرنے کے علاوہ ٹیکسز، ڈیویڈنڈ، یا ویویزی کے لئے کوئی واجب الادا یا بقایا ادائیگی نہیں ہے۔

## 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 قابل ذکر تبدیلی یا وعدے نہیں ہوئے ہیں، سوائے ان کے جنہیں ظاہر کیا گیا۔

## اندرونی کنٹرول کی افادیت

بورڈ آف ڈائریکٹرز اندرونی کنٹرول کے ماحول کے لئے اپنی ذمہ داری کو تسلیم کرتا ہے جس نے مؤثر اور بہترین آپریشنز کو یقینی بنانے، کمپنی کے اثاثوں کی حفاظت، قوانین اور ضوابط کی تعمیل کرنے اور قابل اعتماد مالی رپورٹنگ فراہم کرنے کے لئے ایک مضبوط نظام قائم کیا ہے۔ آزاد انٹرنل آڈٹ فنکشن باقاعدگی سے مالیاتی کنٹرول کے نفاذ کا جائزہ اور نگرانی کرتا ہے جبکہ آڈٹ کمیٹی سہ ماہی بنیادوں پر اندرونی کنٹرول فریم ورک اور مالیاتی گوشواروں کے اثرات کا جائزہ لیتی ہے۔ مزید برآں، کمپنی نے انٹرنل ریسک مینجمنٹ کے لئے ایک علیحدہ ریسک مینجمنٹ فنکشن قائم کیا ہے۔

## ڈائریکٹرز رپورٹ

ازیر جائزہ مدت کے دوران محترمہ سمیچہ زاہد کو محترمہ فرح قریشی کے انتقال کے بعد خالی جگہ کو پر کرنے کے لئے آزاد ڈائریکٹر کے طور پر تعینات کیا گیا تھا، جو اس سے قبل اس عہدے پر فائز تھیں۔ مزید برآں، بورڈ آف ڈائریکٹرز کے انتخابات مارچ 2024 میں منعقد ہوئے۔ تمام ریٹائر ہونے والے ڈائریکٹرز کو تین سال کی مدت کے لئے بلا مقابلہ دوبارہ منتخب کیا گیا۔ جناب ملک مرزا کو آزاد ڈائریکٹر کے طور پر نیا منتخب کیا گیا اور انہوں نے پہلی بار بورڈ میں شمولیت اختیار کی۔ اس کے بعد بورڈ نے مسٹر رابرٹ میک ایلستر کو دوبارہ چیئر مین منتخب کیا اور جناب ثاقب الطاف کو کمپنی کا چیف ایگزیکٹو آفیسر دوبارہ مقرر کیا۔

## بورڈ میں صنفی تنوع:

(الف) مرد 9 (ب) خاتون 1

## بورڈ میں عملی تنوع:

(الف) نان ایگزیکٹو ڈائریکٹرز 6 (ب) آزاد ڈائریکٹر 3 (ج) ایگزیکٹو ڈائریکٹرز 1

## کمپنیاں

بورڈ نے تین کمپنیاں تشکیل دی ہیں، جن میں زیر غور مدت کے لئے بورڈ کے مندرجہ ذیل ارکان شامل ہیں:

## (الف) آڈٹ کمیٹی

جناب ملک مرزا چیئر پرسن اور آزاد ڈائریکٹر  
جناب مارکو وونا نان ایگزیکٹو ڈائریکٹر، ممبر  
جناب ملک احتشام اکرام نان ایگزیکٹو ڈائریکٹر، ممبر

## (ب) ہیومن ریسورس اینڈ ریویژن کمیٹی

محترمہ سمیچہ زاہد چیئر پرسن اور آزاد ڈائریکٹر  
جناب ملک احتشام اکرام نان ایگزیکٹو ڈائریکٹر، ممبر  
جناب مارکو وونا نان ایگزیکٹو ڈائریکٹر، ممبر  
جناب ثاقب الطاف چیف ایگزیکٹو آفیسر، ممبر

## (ج) ٹیکنیکل کمیٹی

جناب شاہد شہباز طور چیئر مین اور آزاد ڈائریکٹر  
جناب رابرٹ میک ایلستر نان ایگزیکٹو ڈائریکٹر، ممبر  
جناب میتھیو سیجورن نان ایگزیکٹو ڈائریکٹر، ممبر  
مسٹر ونسنٹ ڈی لاساگنے نان ایگزیکٹو ڈائریکٹر، ممبر  
جناب مارکو وونا نان ایگزیکٹو ڈائریکٹر، ممبر  
جناب ملک احتشام اکرام نان ایگزیکٹو ڈائریکٹر، ممبر  
جناب دی متری بوگاتیریو نان ایگزیکٹو ڈائریکٹر، ممبر

## ڈائریکٹرز کا معاوضہ

بہترین ٹیلنٹ کو برقرار رکھنے کے لئے، کمپنی کی معاوضے پالیسیوں کو موجودہ صنعتی مروجہ رجحانات اور کاروباری طریقوں کے مطابق تشکیل دیا گیا ہے۔ کمپنی نے ڈائریکٹرز کے معاوضہ کی پالیسی کی منظوری دے دی ہے۔ معاوضہ پالیسی اور کارپوریٹ گورننس کے کوڈ کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ کمپنی اجلاسوں میں شرکت کے لئے آزاد ڈائریکٹرز کے علاوہ نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے۔

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

## اختصاصات

زیر نظر سال کے لئے غیر مختص منافع کا گوشوارہ درج ذیل ہے:

2023	2024	
(روپے 000 میں)		
2,842,264	5,490,404	آگے لایا گیا غیر اختصاصی منافع
2,648,140	3,416,688	سال کی کل آمدن
-	-	غیر مختص منافع سے عمومی ذخائر میں منتقلی
5,490,404	8,907,092	اختصاص کے لئے دستیاب رقم
-	-	اختصاص:
-	-	ڈیویڈنڈ کی ادائیگی
5,490,404	8,907,092	آگے بڑھایا گیا غیر مختص منافع

## چیئر مین کا جائزہ

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

## بورڈ کا ڈھانچہ

اس رپورٹ پر دستخط کے وقت بورڈ آف ڈائریکٹرز مندرجہ ذیل دس ارکان پر مشتمل ہے جس میں سی ای او شامل ہیں، ان میں سے ایک خاتون اور نو مرد ارکان ہیں۔

1. جناب رابرٹ ایان میک ایلستر نان ایگزیکٹو ڈائریکٹر  
2. جناب دی متری بوگاتیریو نان ایگزیکٹو ڈائریکٹر  
3. جناب ملک احتشام اکرام نان ایگزیکٹو ڈائریکٹر  
4. جناب مارکو وونا نان ایگزیکٹو ڈائریکٹر  
5. مسٹر ونسنٹ ڈی لاساگنے نان ایگزیکٹو ڈائریکٹر  
6. جناب میتھیو سیجورن نان ایگزیکٹو ڈائریکٹر

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

1. جناب رابرٹ میک ایلستر نان ایگزیکٹو ڈائریکٹر  
2. جناب دی متری بوگاتیریو نان ایگزیکٹو ڈائریکٹر  
3. جناب ملک احتشام اکرام نان ایگزیکٹو ڈائریکٹر  
4. جناب مارکو وونا نان ایگزیکٹو ڈائریکٹر  
5. مسٹر ونسنٹ ڈی لاساگنے نان ایگزیکٹو ڈائریکٹر  
6. جناب میتھیو سیجورن نان ایگزیکٹو ڈائریکٹر

## ڈائریکٹرز رپورٹ

برائے 31 دسمبر 2024 کو ختم ہونے والا سال

الغازی ٹریکٹرز لمیٹڈ ("کمپنی" یا "AGTL") کے ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالی گوشواروں کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### عملی نتائج

زیر نظر سال کے مالیاتی نتائج حسب ذیل ہیں۔

	2023	2024
	(روپے 000 میں)	
فروخت	34,543,545	34,574,430
مجموعی منافع	6,423,068	8,434,686
قبل از ٹیکس اور لیوی منافع	4,687,092	5,708,700
ٹیکس	(2,075,320)	(2,166,425)
بعد از ٹیکس منافع	2,611,772	3,542,275
دیگر مجموعی آمدن	36,368	(125,587)
کل آمدن	2,648,140	3,416,688

### ڈیویڈنڈ اور جنرل ریزرو

31 دسمبر 2024 کو ختم ہونے والے سال کے لئے، بورڈ نے 20 مارچ 2025 کو منعقدہ اپنے اجلاس میں فی حصص صفر روپے کا حتمی نقد منافع تجویز کیا، جس کی مالیت صفر روپے ہے۔ ڈیویڈنڈ کا اعلان نہ کرنے کا فیصلہ بنیادی طور پر کمپنی کے جاری جامع تبدیلی کے اقدام کی وجہ سے ہے۔ یہ اقدام مصنوعات کے پورٹ فولیو کو بڑھانے، صارفین کے تجربے کو بہتر بنانے، مینوفیکچرنگ آپریشنز کو جدید بنانے اور جدید ٹیکنالوجی کو اپنانے پر مرکوز ہے۔ جس کی تفصیلات اس رپورٹ میں بیان کی گئی ہیں۔

### فی حصص آمدنی

2023 میں 45.06 روپے کے مقابلے میں 2024 میں فی حصص بنیادی آمدن 61.11 روپے تھی۔

### معاشی پس منظر

2024ء میں پاکستان کے معاشی منظر نامے نے ایک پائیدار مثبت راستہ پیش کیا، جو ایک مثبت نقطہ نظر کی عکاسی کرتا ہے اور میکرو اکنامک بنیادوں کو مضبوط کرتا ہے۔ برآمدات، ترسیلات زر، زرمبادلہ کے ذخائر میں اضافے اور زرم مانیٹری پالیسی کی وجہ سے افراط زر کی شرح میں کمی کا سلسلہ جاری ہے جو دسمبر 2023 میں 29.7 فیصد سے کم ہو کر دسمبر 2024 میں 4.1 فیصد رہ گیا۔ پالیسی ریٹ کو دسمبر 2023 میں 22 فیصد سے کم کر کے دسمبر 2024 میں 13 فیصد کر دیا گیا۔

اس کے برعکس، پاکستان کی ٹریکٹرز انڈسٹری کو کافی چیلنجز کا سامنا کرنا پڑا، جس کے نتیجے میں انڈسٹری کے کل حجم میں گزشتہ سال کے مقابلے میں 7 فیصد کمی واقع ہوئی۔ گزشتہ سال کے 42 ہزار 840 کے مقابلے میں 39 ہزار 897 ٹریکٹرز فروخت ہوئے۔ یہ گراؤ بنیادی طور پر سال کی پہلی ششماہی کے دوران گندم کی قیمتوں کے بحران کا نتیجہ تھی، جس نے زرعی سامان کی لاگت میں اضافے کے ساتھ ساتھ کسانوں کے سرمائے کو بری طرح متاثر کیا۔ مزید برآں، وفاقی حکومت نے وفاقی بجٹ 2024-2025 کے ذریعے ٹریکٹروں پر 10 فیصد سیلز ٹیکس عائد کیا، جس سے ٹریکٹرز انڈسٹری متاثر ہوئی جو یکم جون 2024 تک سیلز ٹیکس سے مستثنیٰ تھی۔ غیر حل شدہ پرانے ریفرنڈمز کی وجہ سے پیدا ہونے والے مالی چیلنجز سیلز ٹیکس کی بحالی اور متعلقہ پالیسی میں ترمیم کی وجہ سے بڑھ گئے، جس نے ٹریکٹرز مینوفیکچررز کو سابقہ سیلز ٹیکس ریفرنڈ نظام کی طرف واپس جانے پر مجبور کیا۔ اکتوبر 2024 میں، اس ٹیکس کو بعد میں 14 فیصد تک بڑھا دیا گیا تھا اور پیچیدہ دستاویزی رسمی کارروائیوں میں کچھ نرمی دی گئی۔

مزید برآں، انڈسٹری کو حجم میں کمی کا سامنا کرنا پڑا کیونکہ کاشتکاروں کو توقع تھی کہ حکومت پنجاب کی طرف سے اعلان کردہ گرین ٹریکٹرز اسکیم (جی ٹی ایس) کے تحت رعایتی نرخوں پر ٹریکٹرز حاصل کئے جائیں گے۔ بہر حال، GTS کے تحت کل 9500 یونٹس میں سے 3530 یونٹس مختص کرنے سے کمپنی کو اپنے کنزیکٹ شدہ فروخت کے حجم کو جزوی طور پر بحال کرنے میں مدد ملی۔

### کارکردگی کا خلاصہ

کاروباری ماحول میں ان چیلنجز کے باوجود، AGTL نے 2024 میں 14269 ٹریکٹرز فروخت کیے، جبکہ پچھلے سال کے اسی عرصے میں 15420 ٹریکٹرز فروخت ہوئے تھے، جس نے 36 فیصد مارکیٹ شیئر حاصل کیا۔ کمپنی نے 34.574 ارب روپے کی سیلز آمدنی حاصل کی جو گزشتہ سال کے 34.543 ارب روپے سے زیادہ ہے، جو 0.09 فیصد کی معمولی اضافے کو ظاہر کرتی ہے۔ رواں مالی سال کے دوران مجموعی منافع 8.434 ارب روپے رہا جو گزشتہ سال کے 6.423 ارب روپے کے مقابلے میں 2.011 ارب روپے زائد یا اس میں 31.32 فیصد اضافہ ریکارڈ کیا گیا۔ 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے قبل از ٹیکس منافع 5.708 ارب روپے تک پہنچ گیا جو گزشتہ سال کے مقابلے میں 21.79 فیصد اضافہ ہے۔

31 دسمبر 2024 کو ختم ہونے والے مالی سال کے دوران منافع بعد از ٹیکس 3.542 ارب روپے رہا جو گزشتہ سال کے 2.611 ارب روپے کے مقابلے میں 35.62 فیصد اضافے کو ظاہر کرتا ہے۔ اس کے نتیجے میں فی حصص آمدن (ای پی ایس) 61.11 روپے فی حصص رہی۔ گزشتہ سال کے مقابلے میں 2024 میں کم ٹریکٹرز فروخت کرنے کے باوجود بعد از ٹیکس منافع میں اضافہ بنیادی طور پر لاگت پر سخت کنٹرول کے اقدامات کے ذریعے حاصل کیا گیا۔

سالانہ رپورٹ میں "کلیدی آپریٹنگ اور مالیاتی ڈیٹا" اور "مالیاتی گوشواروں کا افقی اور عمودی تجزیہ"، کمپنی کی مضبوطی کی گواہی دیتے ہیں۔



## MARKETING INITIATIVES: DRIVING BRAND GROWTH & CUSTOMER ENGAGEMENT IN 2024

2024 was a landmark year for AGTL with the successful launch of the NH 850 Tractor Model, reinforcing our commitment to innovation and market leadership. A robust multi-channel marketing strategy ensured maximum visibility and engagement.

### Strategic Campaigns & Market Expansion

The NH 850 launch followed a structured marketing approach, including pre-launch dealership events, a high-profile launch campaign, and strategic media placements. Our teaser, pre-launch, and launch phases spanned digital, print, and out-of-home (OOH) media, maximizing awareness. AGTL also revamped its corporate website, integrating NH 850's dynamic pages, and launched the first-ever dedicated Customer Support Center to enhance lead management.

To expand market reach, AGTL participated in key industry events, including:

- Pakistan Auto Show 2024
- PAPAAM Agro Tech Expo 2024
- Kissan Melas in Rahim Yar Khan, KEUIT University, Kasur (with NBP), and the Cattle Farm Exhibition, fostering farmer engagement and promoting mechanization.

Targeted campaigns like the Green Tractors Scheme, Wheat Crop Promotions, Free Canopy Offers, and Bank Customer Engagement Programs reinforced AGTL's

commitment to agriculture. The Orange Tractor Scheme, featuring a lucky draw on December 27, strengthened brand loyalty and farmer engagement.

### Innovative Digital & Influencer Marketing

AGTL embraced a data-driven digital marketing strategy, leveraging YouTube, TikTok, and Facebook to enhance brand presence. Key influencer collaborations featured Mubashir Sadique (Village Food Secrets), Zain ul Abideen and six prominent agri influencers of Punjab

These partnerships boosted engagement through testimonial videos, social media campaigns, and promotional content. The Orange Tractors & Promotional Campaign (Q4) further expanded AGTL's digital footprint.

### Strengthening Dealer & Customer Relationships

Customer engagement transformed significantly, with over 50,000+ interactions recorded via the Customer Support Center, where WhatsApp became the dominant lead generation channel. To improve sales conversion, AGTL introduced a structured ticketing and follow-up system through the call center.

Key relationship-building initiatives included:

- Exclusive Bankers' Iftar Dinners
- Dealership Engagement Programs (Fatima Tractors, Zia Autos)

- CSR Initiatives like Pink Tractors & Khud Mukhtar Ba Waqar for women's empowerment
- Eid gifting campaigns for dealerships and loyal customers

### A Year of Growth & Innovation

By the end of 2024, AGTL had successfully implemented a strong brand awareness and sales-driven approach, resulting in:

- Greater digital traction & visibility
- Stronger dealer and farmer relationships
- Higher lead generation & improved conversions
- Enhanced customer experience via the Customer Support Center

The NH 850's strong market presence, alongside AGTL's expanding marketing strategies, solidified its position as Pakistan's leading tractor brand.



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

# NOTICE OF 42<sup>nd</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the **42<sup>nd</sup> Annual General Meeting** of Al-Ghazi Tractors Limited (the Company) will be held on **Thursday, April 24, 2025 at 03:00 PM at Pearl Continental Hotel, Karachi**, to transact the following business:

## Ordinary Business:

1. To confirm the minutes of the Annual General Meeting held on April 25, 2024.
2. 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 2024.

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 and/or QR enabled code provided at cover page of this report: <https://www.alghazitractors.com/investor-information/>



3. To appoint the Auditors for the financial year ending on December 31, 2025, 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, 2025.
4. Any other business with the permission of the Chair.

By Order of the Board

-Sd-

**Mansoor Khan**  
Company Secretary

March 20, 2025



## Notes:

1. The share transfer books of the Company will remain closed from **April 18, 2025 to April 24, 2025 (both days inclusive)**. Transfers received in order at the office of our Share Registrars, M/s. FAMCO Share Registration Services (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 17, 2025** will be treated in time for the purpose of entitlement of the transferees to attend and vote at the meeting.
2. 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.
3. 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 **Wednesday, April 23, 2025** at the company's dedicated email "[agtl.shareholders@alghazitractors.com](mailto:agtl.shareholders@alghazitractors.com)".
4. 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 [agtl.shareholders@alghazitractors.com](mailto:agtl.shareholders@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.

5. 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.
6. 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 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

## Notice of 42<sup>nd</sup> Annual General Meeting

Commission of Pakistan vide Circular no. 18 dated August 01, 2017, after October 31, 2017 the cash dividends will only be 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 Share Registration Services (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 Share Registration Services (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 2024 along with reports have been placed on the website of the Company. The Annual Report of the Company for 2024 shall also be electronically available on PUCARS system of Pakistan Stock Exchange Limited and the Company's website under section of Investor Information. Additionally, in the interest of shareholders who had previously provided their valid email addresses, arrangements have been made to send 2024'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 Share Registration Services (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.



## INVESTOR RELATIONS & 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](http://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, a Corporate Briefing Session was held in July 2024. During the session, all the stakeholders were informed about the Company's historical performance, strategic and

operational developments, financial status, and future prospects followed by an engaging question-and-answer session 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 2,801 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	562,162 shares	=	0.97%
Individual and others	3,386,955 shares	=	5.84%
<b>Total</b>	<b>57,964,201 shares</b>	<b>=</b>	<b>100.00%</b>

### 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.9,197 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 Karachi, on April 24, 2025 at 03:00 PM.

### Dividend Payments during the year

No Dividend has been declared by the Board of Directors for the year ended December 31, 2024.

### 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, 2024



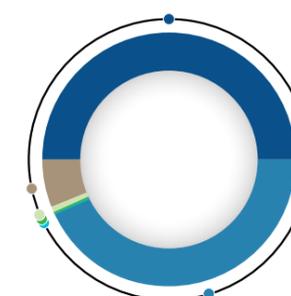
No of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1256	1	100	41,661
735	101	500	204,650
325	501	1,000	250,767
372	1,001	5,000	802,378
47	5,001	10,000	357,140
23	10,001	15,000	306,976
10	15,001	20,000	172,406
5	20,001	25,000	113,418
11	25,001	30,000	301,414
3	30,001	35,000	101,034
1	40,001	45,000	42,152
2	45,001	50,000	98,000
2	55,001	60,000	117,364
2	65,001	70,000	134,200
1	85,001	90,000	90,000
1	100,001	105,000	100,785
1	185,001	190,000	188,000
1	250,001	255,000	253,372
1	270,001	275,000	273,400
1	25,020,001	25,025,000	25,022,379
1	28,990,001	28,995,000	28,992,705
2,801			57,964,201

## CATEGORIES OF SHAREHOLDING

As at December 31, 2024



S.No.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	3	3,000	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	3	3,149	0.01
5	Insurance Companies	2	46,750	0.08
6	Modarabas and Mutual Funds	20	512,263	0.88
7	Share holders holding 10%	2	54,015,084	93.19
8	General Public :			
	a. local	2,732	2,955,683	5.10
	b .Foreign	-	-	-
9	Others	39	428,272	0.74
<b>Total (excluding : share holders holding 10%)</b>		<b>2,801</b>	<b>57,964,201</b>	<b>100.00</b>



50.02% ● Al-Futtaim Industries Company LLC  
 43.17% ● CNHi Global N.V.  
 0.01% ● Banks, Development Financial Institutions, Non Banking Financial Institutions  
 0.08% ● Insurance Companies  
 0.88% ● Modarabas and Mutual Funds  
 5.84% ● Others



# CATEGORIES OF SHAREHOLDERS

As at December 31, 2024

S.No.	FOLIO	NAME		Holding	Percentage
<b>Directors, Chief Executive Officer, and their spouse and minor children</b>					
1	00307-22842	Malik Mirza	Individuals	1,000	0.00
2	18432-63346	Shahid Shahbaz Toor	Individuals	1,000	0.00
3	03350-169629	Samaha Qadir	Individuals	1,000	0.00
<b>Total &gt;&gt;</b>				<b>2,000</b>	<b>0.00</b>
<b>Associated Companies, Undertakings and related Parties (to be confirm by Company)</b>					
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
<b>Total &gt;&gt;</b>				<b>54,015,084</b>	<b>93.19</b>
<b>Banks, Development Financial Institutions, Non Banking Financial Institutions</b>					
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
<b>Total &gt;&gt;</b>				<b>3,149</b>	<b>0.01</b>
<b>Insurance Companies</b>					
1	03277-10526	Habib Insurance Co. Limited	Insurance Companies	32,350	0.06
2	03277-8372	Ghaf Limited	Insurance Companies	14,400	0.02
<b>Total &gt;&gt;</b>				<b>46,750</b>	<b>0.08</b>
<b>Modarabas and Mutual Funds</b>					
1	01917-504	First Prudential Modaraba	Modarabas	675	0.00
2	05959-27	CDC - Trustee Atlas Stock Market Fund	Mutual Fund	188,000	0.32
3	05991-23	CDC - Trustee Meezan Balanced Fund	Mutual Fund	28,200	0.05
4	07062-23	CDC - Trustee Al Meezan Mutual Fund	Mutual Fund	29,905	0.05
5	09449-25	CDC - Trustee Atlas Islamic Stock Fund	Mutual Fund	66,200	0.11
6	09480-21	CDC - Trustee NBP Stock Fund	Mutual Fund	6,800	0.01
7	10397-29	CDC - Trustee Meezan Tahaffuz Pension Fund-Equity Sub Fund	Mutual Fund	57,364	0.10
8	10603-21	CDC - Trustee APF-Equity Sub Fund	Mutual Fund	14,000	0.02
9	10900-25	CDC - Trustee APIF - Equity Sub Fund	Mutual Fund	13,700	0.02
10	11056-28	CDC - Trustee HBL Multi - Asset Fund	Mutual Fund	2,250	0.00
11	13391-26	CDC - Trustee HBL Islamic Stock Fund	Mutual Fund	18,140	0.03
12	13698-29	CDC - Trustee HBL IPF Equity Sub Fund	Mutual Fund	4,370	0.01
13	13714-25	CDC - Trustee HBL PF Equity Sub Fund	Mutual Fund	3,693	0.01
14	14514-28	CDC - Trustee First Capital Mutual Fund	Mutual Fund	3,000	0.01
15	16030-25	CDC - Trustee AWT Stock Fund	Mutual Fund	1,680	0.00
16	16436-27	CDC - Trustee HBL Islamic Asset Allocation Fund	Mutual Fund	26,816	0.05
17	16501-27	CDC - Trustee Meezan Asset Allocation Fund	Mutual Fund	7,100	0.01
18	17210-22	CDC Trustee - Meezan Dedicated Equity Fund	Mutual Fund	5,550	0.01
19	17681-26	CDC - Trustee Atlas Islamic Dedicated Stock Fund	Mutual Fund	9,000	0.02
20	18127-22	CDC - Trustee Faysal Islamic Stock Fund	Mutual Fund	25,820	0.04
<b>Total &gt;&gt;</b>				<b>512,263</b>	<b>0.88</b>

S.No.	FOLIO	NAME		Holding	Percentage
<b>Others</b>					
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	01826-198390	Sarmaaya Financials (Private) Limited	Financial Institutions	1,377	0.00
10	01917-41	Prudential Securities Limited	Joint Stock Companies	270	0.00
11	03277-101266	A.M. Mansur LLP	Ltd. Liability Partnership	20	-
12	03277-2102	The Aga Khan University Foundation	Charitablefoundation	15,000	0.03
13	03277-61491	M/s. Rang Commodities (Pvt) Ltd	Joint Stock Companies	3,000	0.01
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
16	03277-78616	Trustees of Ghandhara Tyre & Rubber Co Ltd. Employees G.F	Employees Gratuity Fund	900	0.00
17	03277-9199	Loads Limited	Unlisted Public Ltd	1	-
18	03277-94363	K. F. Corporation (Private) Limited	Joint Stock Companies	9,726	0.02
19	03277-98643	Merin (Private) Limited	Trading	1,000	0.00
20	03293-38	S.H. Bukhari Securities (Pvt) Limited	Joint Stock Companies	294	0.00
21	03525-105464	Innovative Investment Bank Limited (Under Liquidation)	Financial Institutions	1,350	0.00
22	03525-57191	Sarfraz Mahmood (Private) Ltd	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	04705-101031	Khayyam Securities (Pvt.) Limited	Joint Stock Companies	50	0.00
26	04705-65373	Associated Consultancy Centre (Pvt) Limited	Joint Stock Companies	1,000	0.00
27	04879-28	Akhai Securities (Private) Limited	Joint Stock Companies	50	0.00
28	05736-15	NCC - Pre Settlement Delivery Account	Joint Stock Companies	1,630	0.00
29	07328-21	TS Securities (Pvt) Ltd.	Joint Stock Companies	1,500	0.00
30	07419-11803	Topline Associate (Private.) Limited	Joint Stock Companies	20,000	0.03
31	12203-12148	Merin (Private) Limited	Joint Stock Companies	5,900	0.01
32	12690-2281	Khaadi (SMC-Private) Limited Employees Provident Fund	Provident Fund	2,100	0.00
33	13987-24	Employees Old Age Benefits Institution	Federal Govt. Institution	273,400	0.47
34	14241-22	Fikrees (Private) Limited	Joint Stock Companies	1,208	0.00
35	14431-29	CDC - Trustee Nafa Islamic Pension Fund Equity Account	Pension Fund	3,500	0.01
36	16899-22	Mohammad Munir Mohammad Ahmed Khanani Securities Ltd. -Mf	Joint Stock Companies	11,000	0.02
37	18432-3177	Margalla Financial (Private) Limited	Financial Institutions	500	0.00
38	18432-4282	Muhammad Salim Kasmani Securities (Private) Limited	Financial Institutions	2,026	0.00
39	18614-22	CDC - Trustee Faysal Islamic Pension Fund-Equity Sub Fund	VPS	3,882	0.01
<b>Total &gt;&gt;</b>				<b>428,272</b>	<b>0.74</b>



# 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 2024, 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 2025, 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

## Corporate Governance

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 for the year ended 31 December 2024, is as follows:

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

### Changes in Board Composition

Subsequent to the Election of Directors held on March 01, 2024, Ms. Samiha Zahid was appointed on a casual vacancy occurred by the passing away of Ms. Farah Qureshi. The current composition of the Board of Directors as of December 31, 2024, is as follows:

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. Samiha Zahid	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. Samiha Zahid 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:

- 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 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
- 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.

Corporate Governance

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, 2024 was as follows:

Name of Directors	Board	Audit Committee	Technical Committee	Human Resource & Remuneration Committee
Mr. Robert Ian McAllister	9	-	4	-
Mr. Malik Ehtisham Ikram	10	6	3	1
Mr. Shahid Shahbaz Toor	6	-	8	-
Mr. Vincent Delassagne	10	-	9	-
Mr. Matthieu Sejourné	7	-	8	-
Mr. Marco Votta	8	6	9	-
Mr. Dmitrii Bogatyrev	2	-	3	-
Mr. Malik Mirza	8	7	-	-
Ms. Samiha Zahid	2	-	-	-
Ms. Farah Qureshi	4	1	-	-
Mr. Sakib Eltaff	-	-	-	1

**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 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 has a dedicated Risk Management function 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 2024.

### 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 objectives and values, to drive sustainable growth and success.

Corporate Governance

**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 2024, we continued to prioritize leadership development through an enhanced succession planning framework. This year, our efforts focused on identifying and nurturing high-potential individuals through tailored training programs, advanced skill-building workshops, and specialized management courses. These initiatives have been instrumental in equipping future leaders with the competencies required to drive organizational growth and ensure the long-term sustainability of our operations.

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. 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 four 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 seven 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, 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 25, 2024. The following were approved by the shareholders:

- Minutes of Extraordinary General Meeting held on March 01, 2024.
- Financial statements for the year ended December 31, 2023.
- Re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, as external auditors.

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

During the AGM held on April 25, 2024, the shareholders asked general queries related to annual financial statements for the year 2023 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

25, 2024 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 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 Head Office – 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 2024.



### 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

## Corporate Governance

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 are integral to AGTL's strategy. The

IT system plays a critical role in supporting the Company's current operations and driving new initiatives. Our ERP system has historically integrated all functions across the organization, enhancing the efficiency and effectiveness of processes and controls.

In line with evolving business requirements and the competencies needed to address new challenges, the Company in May 2024 successfully transitioned from its existing BAAN system to the state-of-the-art SAP S/4 HANA solution. This strategic upgrade reflects AGTL's commitment to transformation and is designed to improve multiple facets of the business, including expanding the product portfolio, elevating the customer experience, modernizing manufacturing operations, and adopting cutting-edge technologies.

This significant advancement underscores the Company's dedication to fostering a learning organization while enhancing operational efficiencies.

### Corporate Briefing Session

As required under PSX regulations, a Corporate Briefing Session was held on July 24, 2024, for shareholders, investors and the analyst community. The session was attended by the Management Team, including the CEO, CFO, and Company Secretary. During the session, the team presented an overview of the Company, highlighting its profile, geographical presence across the country, historical journey, shareholding structure, and key strategic and operational developments.

The presentation also included financials and sustainability highlights, followed by an engaging Question and Answer session.



A.F. FERGUSON & CO.

### 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, 2024 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, 2024.

A.F. Ferguson & Co.  
Chartered Accountants  
Karachi

Dated: March 28, 2025

UDIN: CR202410073CPeaqE50

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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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, 2024

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 10 as per the following:

- a. Male 9
- b. Female 1

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

Category	Names
a) Non-Executive Directors	Mr. Robert Ian McAllister
	Mr. Dmitrii Bogatyrev
	Mr. Malik Ehtisham Ikram
	Mr. Marco Votta
	Mr. Vincent De Lassagne
	Mr. Matthieu Séjourné
b) Independent Directors	Mr. Shahid Shahbaz Toor
	Mr. Malik Mirza
c) Female Independent Director	Ms. Samiha Zahid
d) Chief Executive Officer	Mr. Sakib Eltaff

During the period under review, elections of the Board were held on March 01, 2024, wherein the Company has elected three independent directors for a term of three years starting from March 03, 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.

\* Due to sad demise of Ms. Farah Qureshi, an Independent Director, Ms. Samiha Zahid was appointed as Independent Director in her place to fill the casual vacancy.

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, 2024 is as follows:

### a) Audit Committee

Mr. Malik Mirza (Chairman)  
Mr. Marco Votta  
Mr. Malik Ehtisham Ikram

### b) Human Resources and Remuneration Committee

Ms. Samiha Zahid (Chairperson)  
Mr. Marco Votta  
Mr. Malik Ehtisham Ikram  
Mr. Sakib Eltaff

### c) Technical Committee

Mr. Shahid Shahbaz Toor (Chairman)  
Mr. Robert McAllister  
Mr. Malik Ehtisham Ikram  
Mr. Marco Votta  
Mr. Vincent De Lassagne  
Mr. Matthieu Séjourné  
Mr. Dmitrii Bogatyrev



13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. Seven (7) meetings of the Audit Committee were held during the year where at least one meeting was held in each quarter. Ten (10) meetings of the Technical Committee were held during the year under review. One (01) meeting of the Human Resources and Remuneration Committee was held during the year under review.
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.

Statement of Compliance

- 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.	In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee having at least one female director or assign additional responsibilities to an existing board committee. The committee shall monitor and review sustainability related risks and opportunities of the company, ensure DE&I practices are in effect at various board committees, oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosures. The committee shall submit to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	The requirement is not mandatory, however, the Board will consider the creation of a dedicated committee or assigning this task to any existing committee in due course.	10A
2.	It is encouraged that: <ul style="list-style-type: none"> <li>(i) by June 30, 2020 at least half of the directors on their Boards.</li> <li>(ii) by June 30, 2021 at least 75% of the directors on their Boards; and</li> <li>(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.</li> </ul> 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:  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.  Companies are also encouraged to arrange training for: <ul style="list-style-type: none"> <li>(i) at least one female executive every year under the Directors' Training program from year July 2020; and</li> <li>(ii) at least one head of department every year under the Directors' Training program from July 2022.</li> </ul>	Since the requirement is not mandatory now, all the directors are highly qualified and experienced. However, during the period under review, the Chief Executive Officer and a female executive have obtained the Directors' Training Program.	19
3.	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



S. No.	Requirement	Explanation	Reg. No.
4.	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
5.	The Company may post on its website key elements of its significant policies including but not limited to the following: <ul style="list-style-type: none"> <li>I. Communication and disclosure policy</li> <li>II. Code of conduct for members of Board of Directors senior management and other employees</li> <li>III. Risk management policy</li> <li>IV. Internal control policy</li> <li>V. Whistle blowing policy</li> <li>VI. Corporate social responsibility / sustainability / environmental, social and governance related policy</li> </ul>	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 Ian Mcallister*  
**Robert Ian Mcallister**  
 Chairman of the Board

*Sakib Eltaff*  
**Sakib Eltaff**  
 Chief Executive Officer

Date: March 20, 2025

## 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 20, 2025

## 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 20, 2025



# GENDER PAY GAP DISCLOSURE

## Gender Pay Gap Statement Under SECP's Circular 10 Of 2024

Following is gender pay gap calculated for the year ended 31 December 2024:

- i) Mean Gender Pay Gap: **11.3%**
- ii) Median Gender Pay Gap: **(21.3%)**



**Sakib Eltaff**  
Chief Executive Officer

20th March 2025



## 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 comprised of one independent and two Non-Executive Directors namely:

- **Mr. Malik Mirza**  
Chairman & 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 2024

The Audit Committee met seven 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, 2024 and reports that:

- 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, 2024, 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



Report of the Audit Committee

standards. Contents of External Audit Report for the financial year 2024 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 2024 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, 2024 and shall retire on conclusion of 42<sup>nd</sup> 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 2025. 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-  
**Malik Mirza**  
Chairman, Audit Committee

March 20, 2025



# REPORT OF THE HUMAN RESOURCE & REMUNERATION COMMITTEE

# REPORT OF THE TECHNICAL COMMITTEE



## Composition

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

- **Ms. Samiha Zahid**  
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 2024

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

-Sd-  
**Ms. Samiha Zahid**  
Chairperson  
Human Resource and Remuneration Committee

March 20, 2025

## Composition

The Technical Committee 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

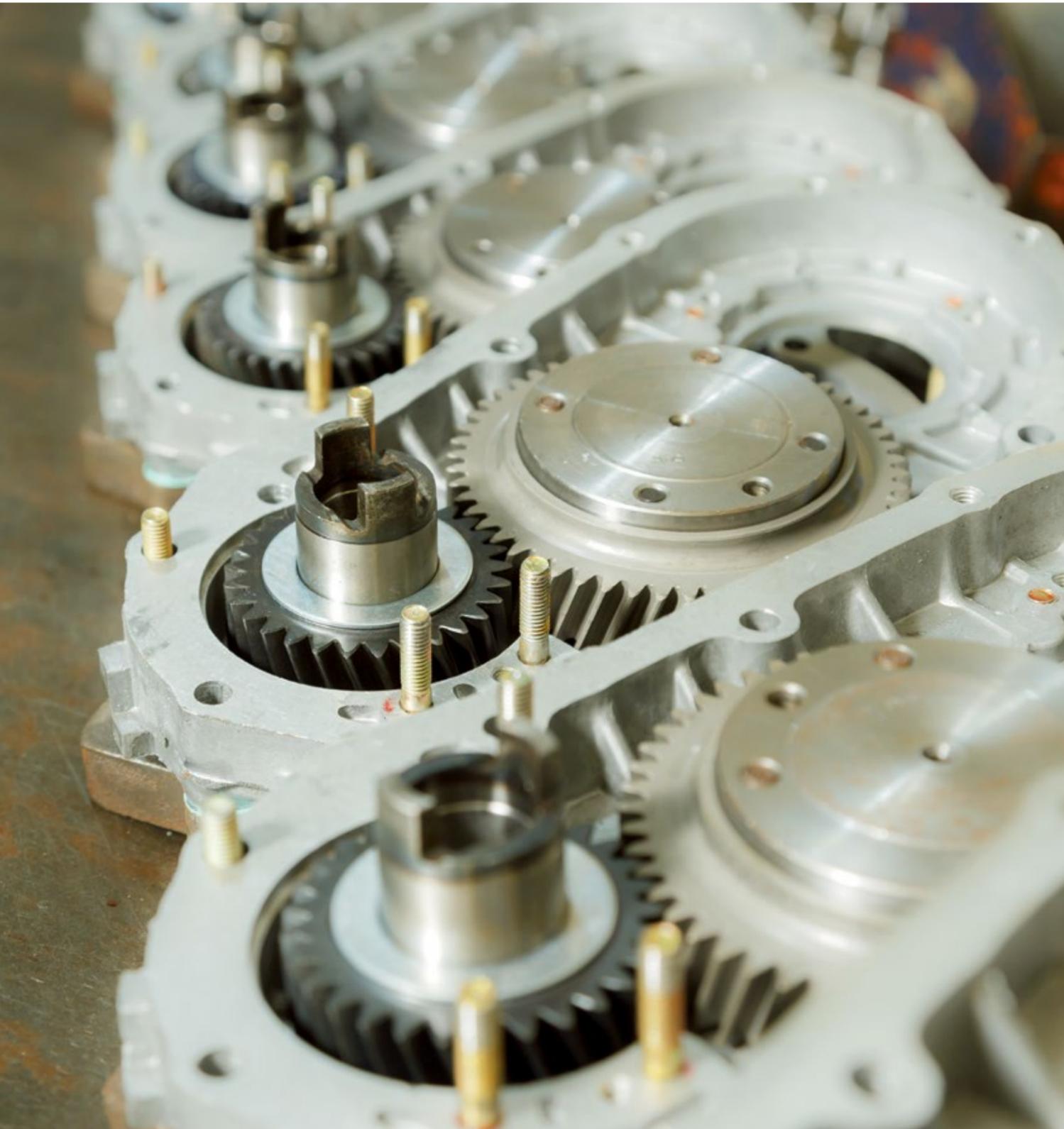
- Technical Drawings Availability of Production Parts and Sub-Assemblies.
  - Technical Committee will review the data of available drawings for function parts only.
  - Technical Committee will ensure to make available the data and drawings of missing functional parts.
- Vendor's Evaluation & Validation.
  - 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 2024

The Technical Committee met ten 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

March 20, 2025



# 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 AGTL, we recognize that the rapidly changing global economy, evolving technological landscape, and increasingly complex regulatory environment present both opportunities and challenges. As a prominent player in the tractor manufacturing industry, we are deeply committed to the principles of Enterprise Risk Management (ERM) to safeguard our operations, ensure long-term profitability, and deliver value to our stakeholders. We believe that effective risk management is a cornerstone of sustainable growth, and it enables us to navigate uncertainty while staying focused on our strategic objectives.

## The Importance of Risk Management

The tractor manufacturing industry is subject to a range of risks, both internal and external, that can impact our operations. These

include fluctuations in raw material prices, supply chain disruptions, labor shortages, technological advancements, geopolitical factors, environmental challenges, and changes in regulatory frameworks. As we expand our global presence, these risks become more complex and multifaceted. In response, we have embraced a proactive, enterprise-wide approach to identifying, assessing, and mitigating risks. This comprehensive approach allows us to maintain a competitive edge while protecting our assets, brand reputation, and financial stability.

## Our ERM Framework and Strategy

Our approach to Enterprise Risk Management is embedded in our corporate culture and integrated into every facet of our business strategy. It begins at the highest levels of governance, and this commitment ensures that risk considerations are

aligned with our strategic objectives and decision-making processes.

The following key components define our ERM framework:

1. **Risk Identification:** The first step in our risk management process is the identification of potential risks. This is an ongoing and dynamic process that involves the identification of both emerging and existing risks across all areas of the organization, including strategic, operational, financial, regulatory, and reputational risks. We use a combination of internal assessments, market analysis, expert opinions, and feedback from various stakeholders to identify risks that may impact our business. Cross-functional teams collaborate to identify risks at every level of the organization, ensuring that no risk goes unnoticed.

2. **Risk Assessment and Analysis:** Once risks are identified, we assess their potential impact and likelihood of occurrence. This involves both qualitative and quantitative analysis to understand the severity of each risk and its potential to disrupt our business operations. We prioritize risks based on their potential to impact key areas such as revenue generation, supply chain continuity, customer satisfaction, legal compliance, and operational efficiency. Advanced risk modeling tools, as well as historical data, are used to create detailed risk scenarios and predict their potential effects on the company.

3. **Risk Mitigation and Control Measures:** After evaluating risks, we implement targeted mitigation strategies. For high-priority risks, we develop specific action plans to reduce their probability of occurrence or to minimize their impact. This includes diversifying our supplier base to reduce dependency on single-source suppliers, investing in technology to improve manufacturing efficiency, and implementing stronger quality control procedures to ensure product reliability. We also focus on workforce training to ensure employees are prepared to manage risks effectively at all levels. Additionally, we strengthen our compliance programs to ensure adherence to local and international regulations, including safety standards and environmental policies.

4. **Crisis Management and Business Continuity:** Part of our ERM framework involves establishing robust crisis management and business continuity plans. These plans ensure that, in the event of an unforeseen crisis—whether caused by a natural disaster, supply chain disruption, or a major cyber security breach—we are able to respond quickly and efficiently to protect our operations. The Company has developed a formal Disaster Recovery Plan which serves as a guide on how and who should do what in case a disaster hits the Company. Our business continuity strategy includes backup production facilities, redundancy in supply chains, and crisis communication protocols to ensure that we can continue operations with minimal disruption.
5. **Risk Monitoring and Reporting:** Effective risk management is an ongoing process, which is why we place great emphasis on the continuous monitoring and reporting of risks. Key risk indicators (KRIs) are tracked regularly to identify any early

warning signs of potential issues. Our risk management team conducts periodic reviews of the risk landscape to ensure that our risk response strategies are up to date.

6. **Stakeholder Engagement:** As part of our commitment to transparency, we keep our stakeholders informed about the risks we face and the strategies we employ to mitigate them. This includes regular communication with shareholders, employees, customers, and regulatory bodies. By fostering open dialogue and promoting risk awareness, we ensure that all stakeholders are aligned with the company's approach to risk management and understand the steps we are taking to protect their interests.

## Continuous Improvement and Adaptation

Our ERM framework is designed to evolve as new risks emerge and as our business grows. We are committed to continuously refining and improving our risk management practices, ensuring that they remain



Enterprise Risk Management (ERM)



relevant and effective in addressing the changing landscape. This is achieved through regular reviews of our risk management processes, benchmarking against industry best practices, and incorporating lessons learned from past risk events. Additionally, as part of our commitment to long-term sustainability, we continuously review our risk mitigation strategies to align them with environmental, social, and governance (ESG) objectives. This ensures that we are not only managing traditional risks but also addressing emerging risks related to sustainability and corporate responsibility.

**Risk Monitoring and Reporting**

Risk management is an ongoing process, not a one-time event. To keep up with evolving risks and market conditions, we continuously monitor our risk environment. Our ERM methodology includes regular monitoring of key risk indicators (KRIs), performance metrics, and other early warning signs that could signal an emerging risk. Through this process, we maintain a real-time understanding of potential threats, allowing us to act swiftly and effectively.

**Risk Culture and Employee Engagement**

At AGTL, we believe that risk management is everyone's responsibility. To foster a risk-aware culture, we engage employees in the Risk Management process and hold sessions to review the risks identified in every function across all levels. By embedding risk management principles into the company's daily activities, we empower every individual to recognize, report, and mitigate risks effectively.

Employees are encouraged to actively contribute to the identification of potential risks, which enhances our ability to respond to issues before they escalate. Our leadership team plays an active role in promoting a culture where risk management is seen as an essential part of the company's success and is aligned with the core values of accountability, transparency, and continuous improvement. Collaboration with Industry Experts: We actively seek external expertise from risk management consultants and industry leaders to benchmark our practices against the latest best practices and industry standards. This collaboration helps us stay ahead of evolving risks and adjust our strategies accordingly.

**Stress Testing**

Stress testing is another critical tool we use to assess the potential vulnerability of our business in the face of extreme or unexpected events. Unlike scenario planning, which explores a range of plausible



future outcomes, stress testing involves simulating worst-case or highly unlikely situations to evaluate how our systems, operations, and financial health would hold up under intense pressure. This rigorous exercise helps identify potential weak points in our operations and highlights areas where additional safeguards or contingency plans may be required.

At AGTL, stress testing is conducted regularly across several key business areas:

- **Financial Stress Testing:** We evaluate the impact of extreme financial shocks, such as significant fluctuations in commodity prices, changes in interest rates, or major fluctuations in currency exchange rates. This testing helps us understand the resilience of our financial position and allows us to adjust our financial strategies accordingly.
- **Supply Chain Stress Testing:** Given the critical role our suppliers play in maintaining production schedules, we stress test our supply chain to simulate scenarios such as transportation delays, supplier bankruptcies, or trade restrictions. This helps us identify vulnerabilities in our supply chain and ensures we have effective contingency plans in place, such as alternative suppliers, inventory buffers, or production flexibility.
- **Operational Stress Testing:** We test the robustness of our operational processes, including tractor production capacity, quality control systems, and workforce management, under extreme stress conditions. This allows us to ensure that our operations can continue effectively during disruptions, such as natural disasters or unexpected spikes in demand.

At AGTL, Enterprise Risk Management is a critical aspect of our corporate strategy, ensuring that we can meet the challenges of today's fast-paced and volatile business environment. By integrating ERM into all aspects of our business operations, we enhance our ability to anticipate, manage, and mitigate risks effectively while seizing opportunities for growth. Our commitment to risk management is driven by a proactive approach that safeguards our employees, customers, investors, and communities, allowing us to create long-term value and maintain a competitive edge in the tractor manufacturing industry. Through continuous monitoring, adaptive strategies, and a culture of risk awareness, AGTL remains well-positioned to navigate the complexities of our industry and continue delivering high-quality products that meet the needs of our customers.



# YEAR 2024 IN REVIEW



# PIONEERING PROGRESS: KEY MILESTONES THAT DEFINED 2024

In 2024, AGTL solidified its position as an industry leader through four key milestones that shaped the company's future: the launch of the NH850 tractor, the successful SAP S/4 HANA Go Live, participation in the Green Tractor Scheme, and the establishment of AGTL's first-ever Call Center. Each of these initiatives played a vital role in advancing AGTL's technological capabilities, market reach, and commitment to agricultural development in Pakistan.

## NH850 Launch: Advancing Agricultural Productivity and Mechanization

AGTL as part of its transformation journey, introduced the NH-850 tractor, a next-generation model designed to address the evolving needs of modern farmers, with an emphasis on efficiency, durability, and sustainability. As agricultural mechanization becomes increasingly essential for food security and economic stability, the NH850 serves as a strategic response to Pakistan's growing demand for cost-effective and high-performance tractors.

### Key Features and Impact

- Power and Efficiency: With a robust 85-horsepower engine,

the NH-850 is designed for heavy-duty tasks, providing more power while ensuring fuel efficiency.

- Precision Farming Technology: Equipped with world-class technology, the NH-850 allows farmers to manage their land with greater accuracy and less waste.
- Durability and Longevity: Built with top-tier materials, the NH-850 is designed to withstand even the toughest farming conditions, ensuring long-lasting performance.
- User-Friendly Design: From its comfortable cabin to its intuitive controls, the NH-850 puts the farmer first, offering ease of use without compromising on power.

## The NH-850 Launch Event:

AGTL made headlines with the highly anticipated launch of the NH-850, a tractor set to redefine the future of farming in Pakistan. The event brought together industry leaders, farmers, and key stakeholders to witness the unveiling of AGTL's most advanced tractor yet. The NH-850, designed to meet the evolving needs of Pakistan's farmers, boasts superior hydraulics, improved fuel efficiency, and the versatility to handle challenging terrains. In a recorded video message, CNHi representative, Vincent De Lassagne lauded AGTL's commitment to innovation, emphasizing the global impact of the NH-850. Sakib Eltaff, AGTL's CEO, highlighted the strategic

importance of this launch in his speech, focusing on how the NH-850 fits into the broader vision of empowering farmers, driving agricultural growth, and ensuring sustainability. His remarks resonated with attendees, reinforcing AGTL's leadership in the sector. The event concluded with live demonstrations of the NH-850's capabilities, leaving guests optimistic about the tractor's potential to enhance productivity across Pakistan. AGTL continues to pave the way for a sustainable, innovative future in agriculture, and the NH-850 stands at the forefront of this journey. This launch solidified AGTL's commitment to progress and innovation, delivering tools that shape the future of farming.



Pioneering Progress: Key Milestones That Defined 2024

**SAP S/4 HANA Go Live: Driving Digital Transformation**

As part of its commitment to business optimization and operational excellence, AGTL successfully implemented SAP S/4 HANA, marking a pivotal shift in its digital transformation journey. The adoption of this next-generation ERP system enables AGTL to streamline processes, enhance data-driven decision-making, and improve efficiency across all business functions.



**Key Benefits of SAP S/4 HANA Implementation**

- **Real-Time Insights and Data Accuracy:** Enables faster, more informed decision-making, improving agility in response to market dynamics.
- **Operational Efficiency:** Optimizes supply chain,

- financial reporting, and resource planning, leading to cost savings and enhanced productivity.
- **Scalability and Future Readiness:** Positions AGTL to integrate emerging technologies, ensuring long-term competitiveness.

This transition to an intelligent, cloud-enabled ERP system is a milestone in AGTL's digital evolution, reinforcing transparency, compliance, and strategic agility across all departments.



**Green Tractor Scheme: Empowering Farmers Through Affordable Mechanization**

AGTL played a key role in the Green Tractor Scheme 2024, a government-backed initiative designed to support farmers with subsidized access to tractors. As part of this effort, AGTL provided high-performance, fuel-efficient tractors to farmers at reduced costs, furthering its mission to enable sustainable and efficient farming practices.



**Strategic Importance of the Scheme**

- **Increased Accessibility to Mechanization:** By offering subsidized tractors, the scheme helped small and mid-sized farmers transition to modern agricultural methods.
- **Boosting Productivity and Food Security:** Mechanization leads to higher yields, lower post-harvest losses, and increased farm efficiency, directly contributing to Pakistan's food security goals.
- **Strengthened Partnerships:** The initiative reinforced AGTL's collaboration with government bodies and financial institutions, positioning the company as a trusted partner in Pakistan's agricultural development.



AGTL's participation in this scheme not only stimulated tractor sales but also empowered thousands of farmers, enabling them to increase their earnings and sustain long-term agricultural growth.



Pioneering Progress: Key Milestones That Defined 2024



**AGTL Call Center: Revolutionizing Customer Experience**

In a historic first for Pakistan's tractor industry, AGTL launched its own Call Center, marking a significant milestone in customer satisfaction and operational efficiency. Spearheaded by the Marketing Department, this initiative reflects AGTL's unwavering commitment to customer-centricity and service excellence.

Operating Monday to Saturday from 8:00 AM to 8:00 PM, the Call Center provides a streamlined and structured approach to managing customer interactions. Through this initiative, AGTL will:

- Track all customer interactions to ensure better service and resolution management.
- Monitor feedback and complaints for timely responses and quality control.

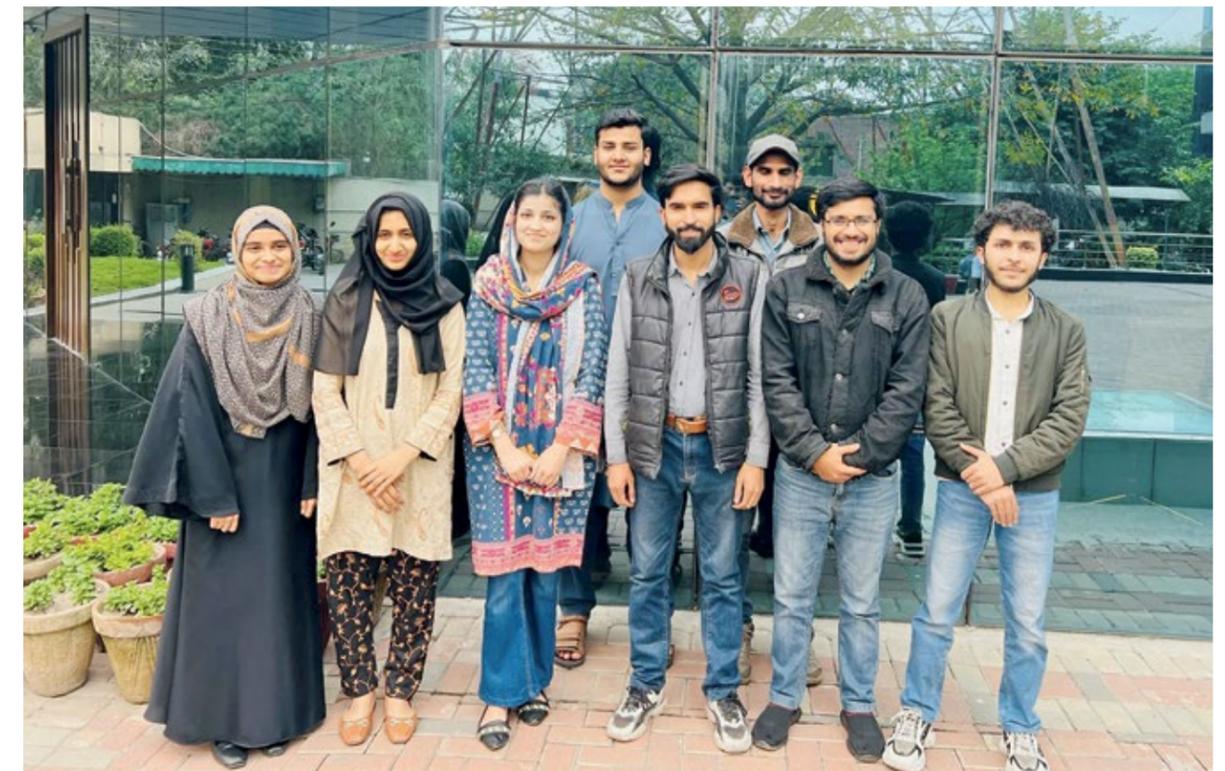


- Assign sales leads to respective area managers via a ticketing system for effective follow-ups.
- Address social media comments and messages in a professional and structured manner.

With a dedicated UAN number (042) 111 850 000, the Call Center enhances AGTL's ability to serve customers efficiently, improving relationships, response times, and service quality.

This milestone not only sets a new benchmark in the industry

but also positions AGTL as a leader in customer engagement and satisfaction. By embracing innovation and leveraging technology, AGTL continues to drive progress, ensuring that its farmers and customers receive the best possible support.



## 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-Futtam 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/4 HANA is enabling 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)



AGTL 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. We continuously strive to create a culture where all employees feel valued, respected, and supported.

## MARKETING & SALES INITIATIVES

### Driving Brand Growth & Customer Engagement in 2024

2024 was a landmark year for AGTL with the successful launch of the NH 850 Tractor Model, reinforcing our commitment to innovation and market leadership. A robust multi-channel marketing strategy ensured maximum visibility and engagement.

#### Strategic Campaigns & Market Expansion

The NH 850 launch followed a structured marketing approach, including pre-launch dealership events, a high-profile launch campaign, and strategic media placements. Our teaser, pre-launch, and launch phases spanned digital, print, and out-of-home (OOH) media, maximizing awareness. AGTL also revamped its corporate website, integrating NH 850's dynamic pages, and launched the first-ever dedicated Customer Support Center to enhance lead management.

To expand market reach, AGTL participated in key industry events, including:

- Pakistan Auto Show 2024
- PAPAAM Agro Tech Expo 2024
- Kissan Melas in Rahim Yar Khan, KEUIT University, Kasur (with NBP), and the Cattle Farm Exhibition, fostering farmer engagement and promoting mechanization.

Targeted campaigns like the Green Tractors Scheme, Wheat Crop Promotions, Free Canopy Offers, and Bank Customer Engagement Programs reinforced AGTL's commitment to agriculture. The Orange Tractor Scheme, featuring a lucky draw on December 27, strengthened brand loyalty and farmer engagement.

#### Innovative Digital & Influencer Marketing

AGTL embraced a data-driven digital marketing strategy, leveraging YouTube, TikTok, and Facebook to enhance brand presence. Key influencer collaborations featured Mubashir Sadique (Village Food Secrets), Zain ul Abideen and six prominent agri influencers of Punjab.

These partnerships boosted engagement through testimonial videos, social media campaigns, and promotional content. The Orange Tractors & Promotional Campaign (Q4) further expanded AGTL's digital footprint.

#### Strengthening Dealer & Customer Relationships

Customer engagement transformed significantly, with over 50,000+ interactions recorded via the Customer Support Center, where WhatsApp became the dominant lead generation channel. To improve sales conversion, AGTL introduced a structured ticketing and follow-up system through the call center.



#### Key relationship-building initiatives included

- Exclusive Bankers' Iftar Dinners
- Dealership Engagement Programs (Fatima Tractors, Zia Autos)
- CSR Initiatives like Pink Tractors & Khud Mukhtar Ba Waqar for women's empowerment
- Eid gifting campaigns for dealerships and loyal customers

#### A Year of Growth & Innovation

By the end of 2024, AGTL had successfully implemented a strong brand awareness and sales-driven approach, resulting in:

- Greater digital traction & visibility
- Stronger dealer and farmer relationships
- Higher lead generation & improved conversions
- Enhanced customer experience via the Customer Support Center

The NH 850's strong market presence, alongside AGTL's expanding marketing strategies, solidified its position as Pakistan's leading tractor brand.

# HR INITIATIVES

At AGTL, we recognize that our greatest asset is our people. In 2024, we made significant progress in fostering a culture of learning, engagement, and continuous improvement. From enhancing skills and leadership competencies to creating a more inclusive and dynamic workplace, our initiatives reflected a deep commitment to employee growth and organizational excellence.



## Learning & Development Initiatives

With an enhanced focus on skill development and competency development, AGTL made significant gains in the learning and development domain in 2024. Some key highlights from L&D initiatives held during the year are as follows:

### SAP Train the Trainer Program

2024 was a year of transformation, marked by the successful

implementation of a modern and robust SAP S/4HANA ERP system. This upgrade played a pivotal role in advancing the organization's technological landscape. To ensure a seamless transition from AGTL's legacy ERP system, a comprehensive

Train the Trainer program was conducted, equipping internal SAP trainers with the knowledge and skills needed to drive adoption and facilitate smooth implementation across the organization.



### Sales Motivation Training



In a highly volatile market landscape with intense competition, keeping the Sales Team motivated has always been a top priority for AGTL. To uphold this commitment, a targeted and

customized training program was conducted for AGTL's Commercial team.

This initiative not only helped the team analyze market challenges

and identify strategic solutions but also instilled a renewed sense of motivation, empowering them to drive results throughout the year.

## Organizational Change Management

As part of AGTL's ongoing transformation journey and the rapid changes being implemented across the organization, AGTL partnered with Al-Futtaim Group's Change Management Consultant to facilitate a comprehensive Organizational Change Management Program.

This initiative played a pivotal role in accelerating AGTL's transformation by developing internal change agents, ensuring a structured and sustainable approach to change management within the organization.



## Leadership Competencies Workshops

The AGTL team, in collaboration with the Al-Futtaim Group, successfully delivered the "Leadership Competencies 101" Training Program. This initiative, comprising three

interactive sessions, was attended by AGTL's leadership team and senior managers. The program aimed to enhance leadership awareness, knowledge, and application of Al-Futtaim Group's Leadership Competencies. A key highlight of the training was an interactive board game, designed to bridge theoretical concepts with real-world workplace challenges, ensuring an engaging and impactful learning experience.



## Skill Development for Mechanics

In 2024, AGTL placed a strong emphasis on skill

development for mechanics at its dealerships to strengthen the foundation of aftersales services. Throughout the year, multiple training sessions were conducted to enhance the mechanics' expertise, equipping them with the necessary skills to deliver superior aftersales support and improve the overall customer experience.



## Employee Engagement Initiatives

In 2024, the AGTL HR team intensified its efforts on employee engagement initiatives, reflecting a stronger commitment to enhancing the overall employee experience. These initiatives not only fostered a more engaging workplace culture but also provided employees with a much-needed respite from their demanding work routines. A few highlights of various engagement activities held across the year are as follows:



## Leadership Strategy Meeting

The year 2024 began with a Leadership Strategy Meeting, centered on key insights from the previous year and the formulation of a strategic roadmap for 2024. This session set the stage for goal alignment, informed decision-making, and a clear vision for the year ahead.



## Sports Fest

In 2024, AGTL organized an exhilarating Sports Fest at the D.G. Khan Factory, bringing together employees in a celebration of teamwork, resilience, and well-being. This highly anticipated event featured a diverse range of sports and recreational activities, fostering a healthy work-life balance while strengthening camaraderie among employees.



From cricket tournaments to badminton and table tennis competitions the fest provided a platform for employees to showcase their athletic talents and competitive spirit. The event concluded with an awards ceremony, recognizing outstanding performances and reinforcing AGTL's commitment to employee engagement and wellness.

The Sports Fest not only promoted fitness and team building but also reflected AGTL's dedication to creating a dynamic and inclusive workplace culture.



## Annual Dinner

AGTL's Annual Family Dinner at the D.G. Khan Factory was a memorable evening filled with recognition, entertainment, and celebration. This special event brought together employees and their families, reinforcing the company's commitment to fostering a sense of belonging and appreciation.

The night featured an Exceptional Efforts Awards ceremony, honoring employees for their dedication and outstanding contributions. Engaging games and activities kept both employees, and their families entertained, adding an interactive and festive touch to the evening. A live musical concert created an electrifying atmosphere, followed by a lavish dinner, allowing everyone to unwind and enjoy quality time together.

The Annual Family Dinner not only celebrated employee achievements and camaraderie but also highlighted AGTL's focus on work-life balance and a supportive workplace culture, making it a cherished tradition for all.



HR Initiatives • Employee Engagement Initiatives



## Worker's Welfare Program

As part of AGTL's commitment to employee well-being and appreciation, the Workers' Welfare Program was held at the D.G. Khan Factory, celebrating the hard work and dedication of our workforce.

The event featured special announcements and recognition awards, acknowledging the exceptional contributions of workers who have played a pivotal role in AGTL's success. A vibrant cultural display showcased the rich traditions and heritage of the region, adding a sense of pride and festivity to the occasion. The evening concluded with a lavish dinner, where employees had the opportunity to relax, connect, and celebrate their achievements together.

The Workers' Welfare Program underscored AGTL's dedication to fostering a supportive, inclusive, and appreciative work environment, ensuring that every team member feels valued and motivated.

## Independence Day Celebrations

AGTL proudly celebrated Pakistan's Independence Day across all its locations with great enthusiasm, patriotism, and unity. The celebrations brought together employees to honor the spirit of freedom and national pride, reinforcing AGTL's commitment to the country's progress and prosperity.

The festivities featured flag-hoisting ceremonies, national anthem recitations and inspiring speeches, reflecting on the nation's journey and AGTL's role



in its growth. Employees actively participated in patriotic activities, and themed decorations, creating a vibrant and festive atmosphere. The celebrations concluded with a special gathering fostering camaraderie and national pride among the AGTL family.

These Independence Day celebrations served as a reminder of our shared heritage and the values that drive AGTL forward, strengthening our resolve to contribute to a brighter future for Pakistan.



## Bring Your Kids to Work Day

AGTL welcomed the next generation to its workplaces with Bring Your Kids to Work Day, a delightful event held across all locations. This special initiative aimed to foster family engagement while giving children a glimpse into their parents' professional lives.

The day was filled with exciting activities, including art competitions, cupcake decoration sessions, and interactive engagement games, creating a fun and creative environment for the little guests. Each child received a goody bag, adding to the excitement and making the experience even more memorable.

This event not only strengthened the work-life balance culture at AGTL but also allowed employees to share their workplace experience with their families. By blending fun, creativity, and togetherness, AGTL reinforced its commitment to a family-friendly and inclusive work environment.



## Nashist-e-Khaas



AGTL successfully launched Nashist-e-Khaas, a unique initiative that provided employees with the opportunity to engage directly with the CEO. This platform allowed team members to share their thoughts, ask questions, and gain valuable insights into the company's vision and strategic direction.

Through interactive discussions, employees were able to voice their ideas, concerns, and feedback, fostering a culture of transparency, collaboration, and inclusivity. The initiative reinforced AGTL's commitment to open communication and employee empowerment, ensuring that every team member felt heard and valued.

Nashist-e-Khaas played a key role in strengthening the connection between leadership and employees, reinforcing a shared vision for growth, innovation, and excellence at AGTL.

## President's Gold Pin Award



For the first time in AGTL's history, two exceptional individuals were honored with the prestigious President's Gold Pin Award in recognition of their outstanding contributions and dedication to excellence. The 2024 recipients of this esteemed award were:

- 1. Irfan Khan, Senior Manager** – Revenue Management, for his exceptional contributions, dedication, and excellence in the finance function.
- 2. Muhammad Abbas Chaudhry, Manager** – Transmission, for his significant contributions to enhancing operational efficiency and innovation in transmission systems.

This milestone reflects AGTL's commitment to recognizing and celebrating excellence, reinforcing a culture of high performance, innovation, and leadership within the organization.

## Quarterly Birthday Celebrations



AGTL celebrated employee birthdays quarterly across all locations, creating a joyful and inclusive environment where team members felt appreciated and valued. These celebrations brought colleagues together, fostering a sense of camaraderie and workplace happiness.

Each event featured cake-cutting ceremonies, fun activities, and team interactions, making the occasion special for all birthday celebrants. Employees enjoyed a lively and festive atmosphere, strengthening bonds beyond the workplace.

The Quarterly Birthday Celebrations reflected AGTL's commitment to employee engagement and well-being, ensuring that every milestone was recognized and celebrated as part of the AGTL family.

## Value Awards



To recognize and celebrate exceptional performance, AGTL hosts the Value Awards, honoring employees who exemplify the core values of the Al-Futtaim Group. These awards reflect our commitment to fostering a culture of integrity, collaboration, innovation, and customer-centricity, while inspiring our teams to continue driving impact across the organization.

HR Initiatives

## Policy Level Initiatives

### Revision in Fuel & Travel Policy

In 2024, AGTL introduced a Fuel Entitlement as a new employee benefit, providing structured fuel allowances to eligible employees. This addition reflects AGTL's commitment to enhancing employee well-being and overall compensation packages.

Additionally, the Travel Policy was revised with increased limits, ensuring greater financial support and convenience for employees undertaking official travel.

These policy enhancements underscore AGTL's dedication to fostering a progressive, employee-centric workplace, prioritizing support, efficiency, and transparency.

### Improved Life & Health Insurance Policy

As part of AGTL's commitment to employee welfare, key enhancements were made to the Life & Health Insurance Policy in 2024, ensuring greater financial security and improved healthcare benefits. The revisions included increased OPD limits, enhanced maternity coverage, and upgraded room rates, providing employees and their families with better access to quality healthcare services.

These enhancements reflect AGTL's ongoing dedication to fostering a supportive and employee-centric workplace, reinforcing its focus on well-being, security, and holistic care for its workforce.

## Improved Industry Academia Linkages

### Educational Tour for Daanish School for Girls at AGTL Factory



As part of AGTL's commitment to education and community engagement, a special tour was organized for the students at Daanish School for Girls at the Dera Ghazi Khan factory. The visit provided students with a comprehensive orientation about AGTL, followed by an insightful tour of the factory and manufacturing process.

In addition to learning about tractor production and the agricultural industry in Pakistan, the students participated in a tree plantation activity, reinforcing the importance of environmental sustainability. The initiative aimed to inspire young minds, offering them firsthand exposure to industrial operations and career possibilities in the manufacturing sector.



### Mentorship Event at Lahore School of Economics

As part of AGTL's commitment to youth development and industry-academia collaboration, team members participated in the Annual Mentorship Event at Lahore School of Economics. The event provided an opportunity to engage with students, share industry insights, and offer career guidance, helping bridge the gap between academic learning and professional expectations.

AGTL representatives mentored students on career pathways, industry trends, and essential skills for the corporate world, fostering meaningful discussions and knowledge-sharing. This initiative reflects AGTL's dedication to nurturing future talent and empowering young professionals with the guidance needed for successful careers.



# SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY



# AFG'S FOUR SUSTAINABILITY STRATEGY PILLARS

## Pillar A

Optimising Our Climate Footprint

At Al-Futtaim, we are committed to reducing our carbon footprint by focusing on cutting emissions, decreasing energy consumption, and transitioning to renewable energy sources. This pillar embodies our goal of addressing climate change through responsible actions that contribute to a greener, more sustainable world.

## Pillar B

Leading on Circular Supply Chains

We strive to create a circular economy by emphasizing the reuse and recycling of resources throughout our supply chain. By minimizing waste and designing products for longevity, Al-Futtaim ensures that every step of our production and distribution process aligns with our vision of sustainability.

## Pillar C

Being an Employer of Choice

Our people are the heart of our business. We invest in creating a workplace culture that promotes growth, inclusivity, well-being, and diversity. By nurturing talent and providing opportunities for personal and professional development, Al-Futtaim aims to be an employer that empowers individuals and supports their growth in an ever-changing world.

## Pillar D

Shaping an Ethical Digital Future

As technology plays a pivotal role in shaping the future, we are committed to its responsible use. Al-Futtaim focuses on advancing digital innovations in a way that benefits both society and the environment while safeguarding human values. This pillar reflects our dedication to integrating technology into our business in a sustainable and ethical manner.



Planet  
People



## SUSTAINABILITY REPORT 2024

### Overview

Al-Ghazi Tractors Limited (AGTL) remains committed to sustainable business practices that integrate environmental, social, and governance (ESG) considerations. Operating within Pakistan's regulatory framework, AGTL aligns with national agricultural policies and global sustainability trends to support mechanized farming and enhance food security.

In 2024, AGTL strengthened its compliance with legal frameworks, ensuring alignment with environmental and corporate governance standards. The company successfully registered the NH-850 tractor model with the Engineering Development Board (EDB), reinforcing its position as an industry leader in sustainable agricultural solutions. The NH-850 model is designed to significantly reduce fuel consumption, supporting our commitment to energy efficiency and cost savings for farmers.

### External Factors Impacting Business

AGTL operates in a dynamic environment shaped by economic, technological, and climate-related risks. The intensification of climate change, regulatory shifts, and evolving market dynamics necessitate proactive sustainability strategies. Our approach to mitigating these risks focuses on compliance, operational efficiency, and stakeholder engagement.



## CEO'S MESSAGE ON SUSTAINABILITY STRATEGY & BUSINESS GROWTH



At AGTL, sustainability isn't just about compliance or responsibility – it's about building a future where progress and the planet go hand in hand. As Pakistan's leading name in agricultural mechanization, we understand that our role extends beyond making tractors; we are driving change, supporting farmers, and ensuring a more sustainable tomorrow.

In 2024, we took meaningful steps toward that vision. Our NH-850 tractor, designed for fuel efficiency, is helping farmers cut costs and reduce emissions – a win for both agriculture and the environment. Our commitment to climate resilience is evident in initiatives like our tree plantation drives and digital campaigns on smog protection, aimed at making a real impact where it matters. We're also empowering women in agriculture through our Khud Mukhtar Ba Waqar initiative, creating opportunities that break barriers and open new doors.

Technology and innovation play a key role in sustainability, and the implementation of SAP S/4HANA is a testament to our commitment to process automation, operational efficiency, and data-driven decision-making. This digital transformation not only enhances business agility but also optimizes resource management, reducing waste and driving sustainable growth.

This report isn't just about what we've achieved – it's about what's next. It brings together real-world stories, ESG compliance efforts, and a roadmap for the future, reflecting our dedication to sustainable business growth. As we move forward, we invite employees, customers, regulators, and investors to be part of this journey. Together, we can build a more resilient, inclusive, and sustainable Pakistan.

**Sakib Eltaff**  
Chief Executive Officer

# SUSTAINABILITY WINS IN 2024

**Reduced CO<sub>2</sub> emissions**  
through NH-850's fuel-efficient design, cutting fuel consumption significantly.

**Planted more than 1000 trees**  
as part of our commitment to combat climate change.

**Impacted 43 rural women**  
through the Khud Mukhtar Ba Waqar initiative, raising awareness of women in agriculture and creating employment and training opportunities.

**Trained more than 5000+ farmers & mechanics in 30+ events**  
promoting sustainable mechanization to enhance efficiency, reduce fuel consumption, and support environmentally responsible farming practices.

**Supplied 3,270 tractors**  
under the Green Tractor Scheme (GTS) in partnership with the Government of Punjab.

**100% PPE implementation**  
across all AGTL manufacturing plants, ensuring workplace safety.

# ESG COMPLIANCE & CLIMATE RISKS

AGTL recognizes the critical role of environmental, social, and governance (ESG) practices in shaping a sustainable future. Our commitment to reducing climate risks, enhancing workplace safety, and fostering social responsibility is embedded in our operations and corporate strategy. We actively engage in climate-conscious initiatives, workplace safety enhancements, and community health programs to create long-term value for our stakeholders while aligning with global sustainability standards and national regulations.

## Environmental Initiatives

### Fuel Efficiency & Emissions Reduction

AGTL remains dedicated to reducing carbon emissions and improving fuel efficiency in agricultural mechanization. Farmers using the NH-850 model have reported up to a 30% fuel economy, leading to a potentially significant annual decrease in CO<sub>2</sub> emissions. This improvement not only lowers operational costs for farmers but also contributes to Pakistan's broader climate action goals.

### Tree Plantation & Climate Action

In 2024, AGTL planted over 1,000 trees as part of its sustainability commitment, reinforcing our efforts to combat deforestation and urban heat stress. Additionally, we introduced plantable "Seed Cards," embedded with native plant seeds, which encourage sustainable disposal and promote reforestation efforts. These initiatives align with our long-term goal of enhancing green spaces, improving air quality, and mitigating climate change impacts.

### Smog Protection & Awareness

To address rising air pollution concerns, AGTL launched a digital awareness campaign focused on smog protection, equipping employees with essential knowledge on air quality hazards, protective measures, and preventive healthcare tips.

### Environmental Compliance & Regulatory Adherence

AGTL has achieved 100% compliance with the Environmental Protection Agency (EPA) by conducting monthly environmental monitoring to ensure regulatory adherence. We have initiated the NOC process for construction projects, working closely with the Environment Department to maintain sustainable development practices.



ESG Compliance & Climate Risks

## Social & Workplace Safety Initiatives

### Workplace Safety & PPE Compliance

- Achieved **100% compliance** with Personal Protective Equipment (PPE) policies across all factory locations.
- Introduced **dedicated uniforms** and improved PPE distribution, ensuring accessibility and adherence.



- Recorded a **60% reduction in accident rates**, reflecting substantial improvements in workplace safety.
- Achieved a **78% decrease in recordable accidents**, demonstrating AGTL's proactive risk mitigation efforts.
- Reported **zero Lost Time Injury (LTI) cases**, reinforcing our commitment to a safe working environment.
- Surpassed **3 million safe man-hours**, marking a major safety milestone.

### Training & Development

Investing in workforce safety and skill enhancement of our employees is key to AGTL's operational success. We conducted:

- **45 specialized safety training sessions**, benefiting **976** employees across factory and office locations achieving 360 hours of training on HSE.
- **36 E-Bulletins** shared with executive staff on HSE (Health, Safety, and Environment) related matters.
- **25+ skills training programs** were conducted to upskill employees, covering both technical and soft skills. Including but not limited to
- A specialized MITA training program in Italy was organized for the Quality department, ensuring exposure to international quality standards.

- Six mechanics training programs were conducted, enhancing technical expertise for improved service and maintenance.
- Waste elimination training (02 sessions) helped optimize processes and reduce inefficiencies across operations.
- 5S training was conducted to streamline assembly lines, improving workplace organization and productivity.
- Three Kaizen training programs were introduced to enhance time management and quality output, ensuring continuous process improvement.

### Soft skills training programs included:

- Leadership competencies training to develop future leaders.
- Crisis communication training to prepare employees for effective decision-making during emergencies.
- Change management training to help employees navigate organizational transitions smoothly.
- SAP implementation training to ensure efficient enterprise resource planning.
- Power BI training to enhance data analysis and reporting capabilities.
- LinkedIn Learning training programs provided a diverse range of learning opportunities for employees.

### Safety Enhancements & Emergency Preparedness

- Installed new safety signboards across indoor and outdoor plant areas to enhance worker awareness.
- Conducted monthly inspections of fire extinguishers and emergency equipment to ensure operational readiness.
- Held 10 management-led safety meetings, including Daily Morning Gemba Meetings, fostering a culture of proactive safety management.
- Organized one evacuation drill and multiple firefighting exercises to strengthen emergency preparedness.
- Supervised 355 high-risk hot work activities, covering 360 hours of oversight.

### Incident Management

- Recorded a substantial decrease in incidents reports, down from 53 incidents in 2023 to 25 incidents in 2024.
- Conducted in-depth analysis of incidents, with findings shared with stakeholders to drive continuous improvement in safety protocols.

### Contractor HSE Management

Strengthened adherence to contractor safety agreements through enhanced monitoring and implementation of the Work Permit System to enforce compliance.

### Health & Awareness Campaigns

Launched multiple HSE awareness initiatives, including, Take Pledge Campaign, Emergency Preparedness Awareness, Basic Electrical Hazards Awareness, and Work Stress & Heat Stress Ergonomics Training.

### Polio & Healthcare Initiatives:

- Four polio eradication campaigns to support national immunization efforts and safeguard communities.
- Two immunization drives targeting employees and their families, ensuring protection against preventable diseases.
- A diabetes screening program that provided preventive healthcare assessments and lifestyle awareness sessions, promoting employee health and early intervention.

Through these ESG-driven initiatives, AGTL continues to set industry benchmarks in sustainability, workplace safety, and community well-being, reinforcing our vision of responsible corporate leadership in Pakistan's agribusiness sector.



# GOVERNANCE

At AGTL, we are committed to maintaining a strong governance framework that ensures transparency, regulatory compliance, and ethical business practices. Our governance model aims to foster accountability, mitigate risks, and create a culture of integrity that aligns with both local and international best practices.

We continuously evaluate and strengthen our governance policies to uphold the trust of our stakeholders, including employees, customers, regulators, and business partners.

## Key Governance Initiatives

### Formation of the Anti-Harassment Committee

AGTL prioritizes a safe and inclusive work environment for all employees. To reinforce this commitment, we have established an Anti-Harassment Committee that actively addresses workplace concerns and ensures compliance with national laws and internal policies. The committee raises awareness, handles complaints with discretion, and implements corrective measures to maintain a respectful and professional workplace.

- **Implementation of Non-Disclosure Agreements (NDAs) Across All Levels**

Recognizing the importance of confidentiality in safeguarding business interests, AGTL has standardized the use of NDAs for employees, vendors, and strategic partners. This ensures that sensitive information, proprietary knowledge, and trade secrets remain protected while fostering a culture of trust and responsibility across all levels of the organization.

- **Strategic Collaborations with the Government of Punjab on Subsidized Tractor Programs**

As part of our commitment to sustainable agricultural development, AGTL actively partners with the Government of Punjab on various initiatives, including subsidized tractor programs such as the Green Tractor Scheme. This program made modern agricultural machinery more accessible to farmers, enhancing productivity and food security in Pakistan.

By implementing these and other governance measures, AGTL continues to uphold corporate responsibility, ethical leadership, and sustainable growth, reinforcing our position as a trusted and accountable industry leader.



# ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

AGTL is actively contributing to the United Nations Sustainable Development Goals (SDGs) by integrating sustainable practices into our business operations. Below are the key SDGs that our initiatives support:

## Industry & Economic Growth



### SDG 9 Industry, Innovation, & Infrastructure

**Impact:** Through our SAP ERP implementation and manufacturing modernization, we enhance industrial efficiency while reducing environmental impact.



### SDG 8 Decent Work & Economic Growth

**Impact:** AGTL employs 29 differently-abled individuals with visual and physical impairments, ensuring inclusivity. We also maintain 100% PPE compliance to enhance workplace safety and run 25+ skill development programs.

## Sustainable Production & Environmental Responsibility



### SDG 12 Responsible Consumption & Production

**Impact:** AGTL upholds responsible waste management by segregating and systematically dispersing waste through structured processes. We actively recycle cardboard and packing materials to minimize environmental impact. Additionally, our wastewater treatment plant operates at full capacity, with plans to expand its capacity for greater efficiency and sustainability.



### SDG 13 Climate Action

**Impact:** AGTL has planted over 1,000 trees as part of our reforestation commitment and is actively reducing its environmental footprint through sustainable production.



### SDG 6 Clean Water & Sanitation

**Impact:** AGTL is committed to responsible water management by implementing water conservation measures in manufacturing, optimizing water usage, and reducing waste to support long-term sustainability.



### SDG 7 Affordable & Clean Energy

**Impact:** Our NH-850 tractor significantly reduces fuel consumption, lowering carbon emissions and helping farmers cut operational costs.

## Agriculture & Social Responsibility



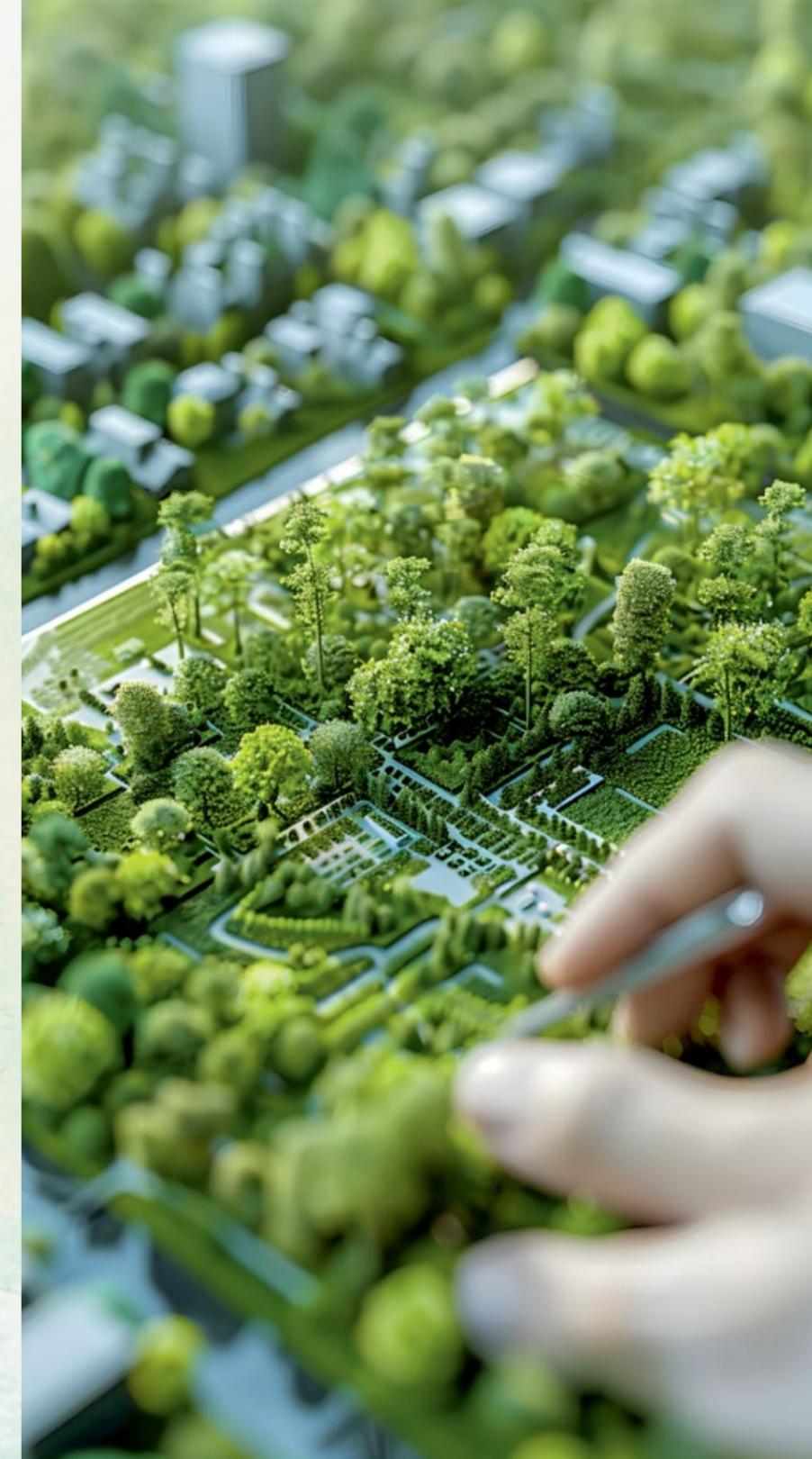
### SDG 2 Zero Hunger

**Impact:** By providing fuel-efficient tractors and training farmers in sustainable agricultural practices, AGTL is helping improve food production efficiency and ensuring food security.



### SDG 5 Gender Equality

**Impact:** The Khud Mukhtar Ba Waqar initiative is empowering women by providing skills training and employment opportunities in agriculture and machinery.



# IMPACT STORIES

## Transforming Agriculture with NH-850 A Game-Changer for Farmers



For Haji Ihsan, owner of Haji Ramzan Zarai Model Farm in Mian Channu, farming is a legacy built on efficiency, sustainability, and innovation. Managing 800 acres of potatoes, he knows that fuel costs and productivity are critical factors in ensuring profitability. Seeking a more cost-effective and high-performance solution, he upgraded to the NH-850 – and the results have been transformational.

### Haji Ihsan shares his experience:

“Pakistan’s best tractor! The NH-850 covers 27 acres in just 5.5 hours while using only 59 liters of fuel. Compared to my previous tractor, I’ve seen a 30% reduction in fuel consumption, which has significantly lowered my costs while improving efficiency. It’s not just a machine – it’s an investment in a better future for my farm and my family.”



- 30% Lower Fuel Consumption** – According to Haji Ihsan, the NH-850 delivers exceptional fuel efficiency, reducing costs and allowing farmers to reinvest savings into their farms.
- High Productivity for Large-Scale Farming** – With optimized performance, it enables farmers to cover more land in less time, ensuring efficient land preparation and harvesting.
- Sustainability & Cost Savings** – With reduced fuel dependency, the NH-850 helps lower carbon emissions, supporting eco-friendly farming while maximizing profits.



## Empowering Women through Khud Mukhtar Ba Waqar Rabia’s Story



In Pakistan’s male-dominated agriculture sector, opportunities for women to enter mechanized farming and tractor operations have traditionally been limited. However, for Rabia, a student at Sindh Agriculture University at Tando Jam, that perception changed when she participated in AGTL’s Khud Mukhtar Ba Waqar initiative, a program designed to empower women with the skills and knowledge to thrive in agricultural mechanization.

### Rabia shares her experience:

“Before this program, I had never even thought about working in agriculture. Now, I’ve learned how to operate and maintain tractors, and I plan to start my own business providing tractor services to local farmers.”

### Breaking Barriers: How Rabia is Leading the Way

- Hands-On Learning & Skill Development** – Through the Khud Mukhtar Ba Waqar training, Rabia gained practical experience in tractor operation and maintenance, skills that were previously unavailable to women in her community.
- Entrepreneurial Ambitions** – Inspired by the program, she is now planning to start her own tractor service business, bridging the gap for small-scale farmers who need reliable mechanization services.
- Shifting Mindsets** – Rabia’s journey represents a cultural shift, demonstrating that agricultural mechanics is not just for men and that women can play a critical role in modernizing Pakistan’s farming industry.
- Expanding Opportunities for Women in Agriculture** – By equipping women with mechanical and operational expertise, the program is opening new doors for economic independence and encouraging greater female participation in the agricultural workforce.

## A Future Driven by Inclusion & Innovation

Rabia is just one of many women whose future has been transformed by **Khud Mukhtar Ba Waqar**. As AGTL continues to expand this initiative, more women will have the opportunity to acquire technical skills, enter the agriculture sector, and contribute to Pakistan’s food security and economic development.

The success of women like Rabia is proof that when given the right opportunities, women can drive progress in even the most traditional industries – ensuring that Pakistan’s agricultural future is inclusive, innovative, and full of potential.



Impact Stories

# Fighting Climate Change through Tree Plantation:

## The One Tree A Month Campaign



Climate change and deforestation are among Pakistan’s most pressing environmental challenges, contributing to rising temperatures, erratic weather patterns, and declining air quality. Recognizing the need for immediate action, AGTL launched the “One Tree A Month” campaign – an initiative aimed at reducing carbon emissions and fostering a culture of sustainability within the organization and beyond.

### The Impact of One Tree A Month

- **Combating Deforestation & Restoring Green Spaces** – With Pakistan’s alarming deforestation rate, AGTL is actively working to restore green cover by planting trees in our locations at DG Khan, and Kot Abdul Malik.
- **Reducing the Urban Heat Effect** – Trees act as natural climate regulators, lowering temperatures and making industrial and urban spaces more livable. By increasing tree coverage near manufacturing plants, and office spaces, AGTL is helping mitigate extreme heat waves.
- **Carbon Sequestration & Air Quality Improvement** – The trees planted through this initiative will absorb CO<sub>2</sub> emissions and improve air quality, making a meaningful contribution to Pakistan’s environmental sustainability efforts.
- **Engaging Employees & Local Communities** – The success of the campaign goes beyond numbers – AGTL employees, and partners, have actively participated in tree plantation activities, fostering a shared responsibility for a cleaner, greener Pakistan.
- **Commitment to Long-Term Sustainability** – One Tree A Month is not a one-time initiative – AGTL plans to expand its reforestation efforts, ensuring that tree plantation remains a core element of its environmental sustainability roadmap.

**Foha Raza,**  
Senior Manager Corporate Communications, PR & Government Relations at AGTL, shares the impact of the initiative:

“ By planting over 1000+ trees this year, AGTL is playing a key role in combating urban heat and deforestation. This initiative aligns with Pakistan’s national sustainability goals and reinforces our commitment to a greener future. ”

### A Greener Future, One Tree at a Time

Through the One Tree A Month campaign, AGTL is demonstrating that small, consistent efforts can drive large-scale environmental change. By engaging employees, farmers, and communities, AGTL is not just planting trees – it is laying the foundation for a more sustainable and climate-resilient Pakistan.



## Impact Stories

## Future Sustainability Roadmap

### Investing in Green Technology & Driving Meaningful Change

At AGTL, sustainability is more than a commitment – it is a responsibility we uphold as stewards of Pakistan’s agricultural future. Looking ahead, our focus is on reducing environmental impact, embracing renewable energy, fostering inclusivity, and strengthening resilience against climate change. Through strategic investments, we strive to create a future where agricultural mechanization is both efficient and environmentally responsible.

By integrating sustainable manufacturing practices, empowering rural communities, and developing climate-resilient supply chains, we seek to ensure that the benefits of mechanization extend beyond efficiency – supporting livelihoods, preserving natural resources, and contributing to national food security. Our roadmap for the future is built on the foundation of innovation, inclusivity, and environmental stewardship, guiding AGTL toward a more sustainable and equitable tomorrow.

Our key priorities in this journey include:

- **Reducing Our Carbon Footprint** – AGTL is committed to lowering emissions across its operations and supply chains, ensuring that agricultural innovation aligns with environmental responsibility.
- **Transitioning to Clean Energy** – With an increasing focus on solar energy solutions, we plan to reduce reliance on non-renewable energy sources and enhance sustainability in manufacturing.
- **Championing Women’s Inclusion in Mechanized Farming** – Through the Khud Mukhtar Ba Waqar program, we are working to expand training opportunities for rural women, enabling greater participation in mechanized farming across Punjab and Sindh.
- **Strengthening Climate-Resilient Supply Chains** – By adapting to changing environmental conditions, we aim to fortify our supply chain against disruptions caused by extreme weather events.
- **Advancing Circular Economy & Sustainable Manufacturing** – We are focused on enhancing resource efficiency by increasing the use of recycled materials in tractor production, contributing to a more circular and responsible economy.

As we move forward, AGTL remains committed to balancing growth with responsibility – investing in solutions that drive progress while protecting the planet for future generations.





**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.

## 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.

## Financial Indicators

### Actual Results

In 2024, the Tractor industry faced significant challenges due to a convergence of severe rupee devaluation, 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 14,269 tractors, showcasing the company's resilience and determination. Building on the solid foundation of selling 15,420 tractors in 2023, 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:

	2024	2023
<b>Rupees '000</b>		
Sales	34,574,430	34,543,545
Gross Profit	8,434,686	6,423,068
Profit before taxation and levy	5,708,700	4,687,092
Taxation	(2,164,199)	(2,075,320)
Profit after tax	3,542,275	2,611,772

Production and sales volumes for the years 2024 and 2023 are as follows:

	Units	
	2024	2023
Sales	14,269	15,420
Production	14,069	14,317

## Non-Financial Indicators

Objective	Monitoring
<b>Manufactured Capital</b>	
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.
<b>Human Capital</b>	
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.
<b>Relationship Capital</b>	
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

	2024	2023	2022	2021	2020	2019
<b>Quantitative Data</b>						
<b>Units:</b>						
Sales	14,269	15,420	19,929	18,156	12,142	15,719
Production	14,069	14,317	21,216	17,120	12,654	15,400
<b>Rupees '000</b>						
<b>Profitability</b>						
Revenue	34,574,430	34,543,545	28,201,812	20,578,906	11,935,172	13,992,388
Gross profit	8,434,686	6,423,068	5,061,446	4,721,228	2,766,012	2,544,716
Depreciation	387,530	187,795	120,952	84,846	81,512	80,836
Operating Profit (before investment income)	5,624,169	4,241,652	3,688,799	4,078,670	1,887,289	1,330,943
Investment income	82,305	444,249	107,150	91,060	40,618	17,581
Profit before taxation	5,706,474	4,685,901	3,795,949	4,169,730	1,927,907	1,348,524
Income tax expense	2,166,425	2,075,320	1,639,905	1,211,868	578,250	370,872
Profit for the year	3,542,275	2,611,772	2,156,044	2,957,862	1,349,657	977,652
Earnings before investment income, tax and depreciation (EBITDA)	6,013,925	4,430,638	3,809,751	4,163,516	1,968,801	1,411,779
Manpower Cost - Direct	819,334	680,089	515,339	397,871	302,194	345,368
Manpower Cost - Indirect	631,167	596,291	356,872	263,703	283,646	287,773
Total Manpower Cost	1,450,501	1,276,380	872,211	661,574	585,840	633,141
<b>Financial position</b>						
Fixed assets	2,289,706	1,608,167	1,331,267	1,108,805	1,066,974	1,068,382
Other non-current assets	16,219	16,919	20,473	11,334	4,941	4,757
Employee benefit prepayments	-	32,039	-	8,481	36,197	-
Deferred tax asset	79,051	129,972	101,819	85,553	111,756	87,090
	2,384,976	1,787,097	1,453,559	1,214,173	1,219,868	1,160,229
	20,391,742	14,229,633	12,280,729	9,490,115	5,183,444	5,475,383
Current assets	18,006,766	12,442,536	10,827,170	8,275,942	3,963,576	4,315,154
Current liabilities	11,002,538	8,299,836	8,990,546	5,467,934	2,849,239	4,442,078
Net working capital	7,004,228	4,142,700	1,836,624	2,808,008	1,114,337	(126,924)
Less: Non-current liabilities	192,291	149,572	158,098	48,914	46,083	129,588
Capital employed	9,196,913	5,780,225	3,132,085	3,973,267	2,288,122	903,717
<b>Represented by:</b>						
Share capital	289,821	289,821	289,821	289,821	289,821	289,821
Reserves	-	-	-	-	1,049,000	-
Unappropriated profit	8,907,092	5,490,404	2,842,264	3,683,446	949,301	613,896
	9,196,913	5,780,225	3,132,085	3,973,267	2,288,122	903,717
<b>Cash Flows</b>						
Operating activities	(530,813)	3,051,290	(4,270,631)	4,630,496	2,125,302	1,936,798
Investing activities	(973,273)	(11,685)	(162,817)	(34,067)	(38,909)	(303,716)
Financing activities	756,727	(1,234,748)	2,353,917	(1,240,189)	(4,708)	(1,393,589)

## ANALYSIS OF FINANCIAL RATIOS

	2024	2023	2022	2021	2020	2019
<b>Analysis of Financial Ratios</b>						
<b>Profitability Ratios</b>						
Gross profit ratio	24.40%	18.59%	17.60%	22.94%	23.18%	18.19%
Pre-tax profit ratio	16.50%	13.57%	13.46%	20.26%	16.15%	9.64%
Net profit to Sales	10.25%	7.56%	7.65%	14.37%	11.31%	6.99%
EBITDA margin to sales	17.39%	12.83%	13.51%	20.23%	16.50%	10.09%
Operating Leverage ratio	399.68	0.72	-0.23	1.54	-2.68	2.25
Return on asset	17.37%	18.35%	17.56%	31.17%	26.04%	17.86%
Return on Equity / Capital employed	38.52%	45.18%	68.84%	74.44%	58.99%	108.18%
<b>Liquidity Ratios</b>						
Current Ratio	1.64	1.50	1.20	1.51	1.39	0.97
Quick Ratio	1.11	0.77	0.62	0.99	0.69	0.34
Cash to current liabilities	0.09	0.21	0.08	0.37	0.08	0.04
<b>Activity / Turnover Ratios</b>						
Inventory turnover ratio	4.41	4.96	5.71	6.50	3.83	3.64
Receivables turnover ratio	14	427	339	9,455	2,480	423
Creditors turnover ratio	7	11	16	18	28	26
Fixed assets turnover ratio	15.10	21.48	21.18	18.56	11.19	13.10
Total assets turnover ratio	1.70	2.43	2.30	2.17	2.30	2.56
<b>Operating Cycle</b>						
No. of days in inventory	83	74	64	56	95	100
No. of days in receivables	27	1	1	0	0	1
No. of days in payables	54	33	22	21	13	14
Operating Cycle	56	42	43	36	83	87
<b>Capital Structure Ratios</b>						
Financial leverage ratio	0.31	0.31	0.38	0.39	0.75	0.88
Weighted average cost of debt	2.65%	3.84%	3.84%	0.00%	0.00%	10.87%
Debt to equity ratio (As per book value)	0.26	0.29	1.18	0.00	0.08	4.02
Debt to equity ratio (As per market value)	0.06	0.06	0.17	0.00	0.00	0.00
Interest cover ratio	13.78	14.15	16.09	477.32	14.22	4.38
<b>Investment / Market ratios</b>						
Pre-Tax Earning per share (Basic and diluted) - Rs	98.45	80.84	65.49	71.94	33.26	23.26
Post-Tax Earning per share (Basic and diluted) - Rs	61.11	45.06	37.20	51.03	23.28	16.87
Price earnings ratio	9.20	8.12	8.55	6.60	15.95	21.79
Dividend yield ratio	0.00%	0.00%	0.00%	15.14%	5.76%	4.08%
Dividend ratio	-	-	-	6.60	17.37	24.50
Dividend payout ratio	0.00%	0.00%	0.00%	100.00%	91.86%	88.93%
Dividend cover	-	-	-	1.00	1.09	1.12
Dividend per share						
- Cash	-	-	-	51.03	21.39	15.00
- Bonus	-	-	-	-	-	-
Dividend payout - Rs ' 000	-	-	-	2,957,862	1,239,854	869,463
Cash dividend - %	0%	0%	0%	1021%	428%	300%
Market value per share - Rs						
- Closing	562.0	366.0	318.0	337.0	371.5	367.5
- High	600.0	462.4	470.0	408.0	418.8	564.0
- Low	306.0	247.5	315.0	320.1	210.2	232.0
Market capitalisation - Rs Million	32,576	21,215	18,433	19,534	21,531	21,302
Breakup value per share - Rs	158.67	99.72	54.03	68.55	39.47	15.59
Market price to break up value	3.54	3.67	5.89	4.92	9.41	23.57
Earning Yield ( %)	10.87%	12.31%	11.70%	15.14%	6.27%	4.59%

## Analysis of Financial Ratios

### Comments on Ratios

#### Profitability Ratios

The growth in the Company's profitability ratios during the year 2024 indicates a focus on efficient management of resources. The gross profit ratio stands at 24.4%, YOY growth of 5.9%, demonstrating efficient management of production costs. The pre-tax profit ratio is strong at 16.5, YOY growth of 3%, indicating robust operational efficiency and effective cost management strategies. The net profit to sales ratio is at 10.2%, YOY growth of 2.7% showcasing the company's ability to convert sales revenue into net income. Additionally, the EBITDA margin to sales ratio is healthy at 17.39%, YOY growth of 5% 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 17.37% and 38.52%, respectively, indicating efficient utilization of assets and shareholder equity to generate profits.

#### Liquidity and Turnover Ratios

The company's liquidity ratios for 2024 depict a healthy financial position. The current ratio of 1.64 and quick ratio of 1.11 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 0.09, 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 2024 exhibit mixed results. The pre-tax earnings per share (EPS) and post-tax EPS are commendable at Rs 98.45 and Rs 61.11, respectively, indicating strong earnings potential for shareholders. However, the price-earnings ratio is relatively low at 9.20, 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 600 and a low of Rs 306. The market capitalization stands at Rs 32,576 million, reflecting the total market value of the company's outstanding shares.

#### Operating Cycle

The operating cycle analysis for the year 2024 provides insights into the efficiency of the company's operational processes. The number of days in inventory, which stands at 83 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 number of days receivable stands at 27 days, reflecting a change in the Company's policy from last year to support customers in challenging economic situation. A major portion of this is related to the contractual receivables from Government institutions for subsidized amounts to farmers. Efficiency in receivables contributes to a shorter cash conversion cycle and ensures that funds are readily available for the company's operations.

#### Capital Structure Ratios

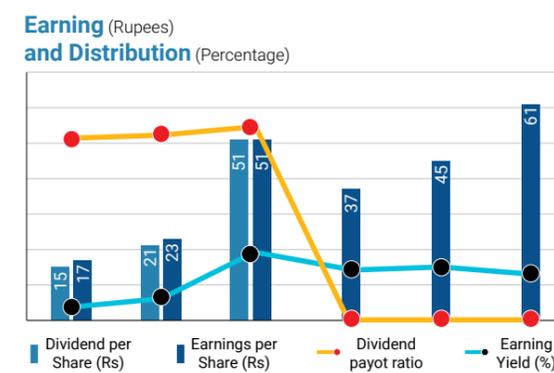
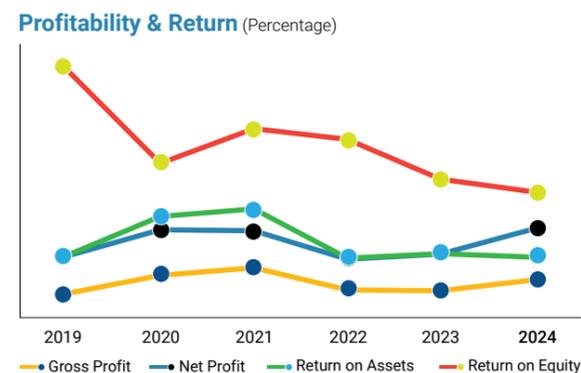
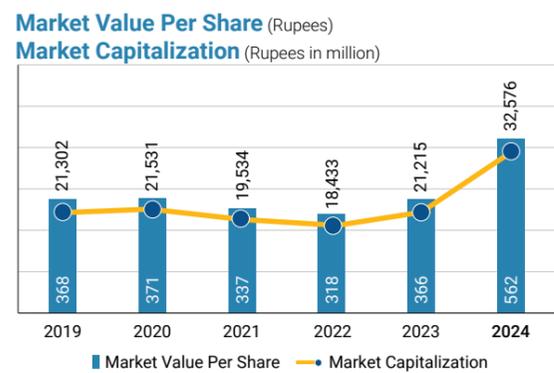
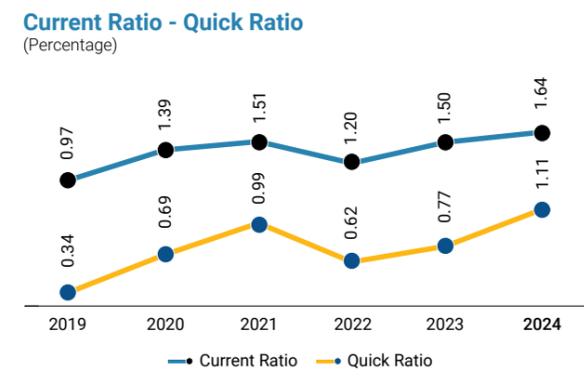
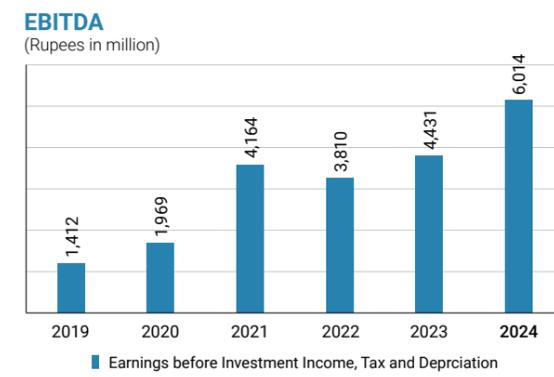
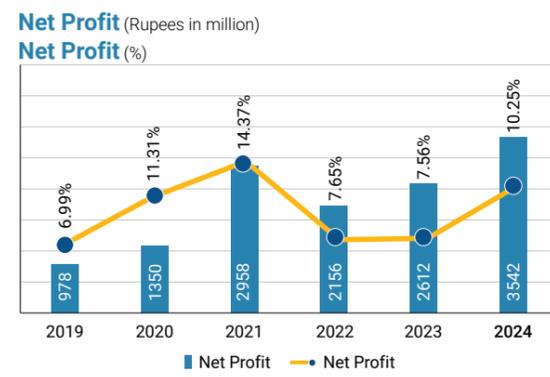
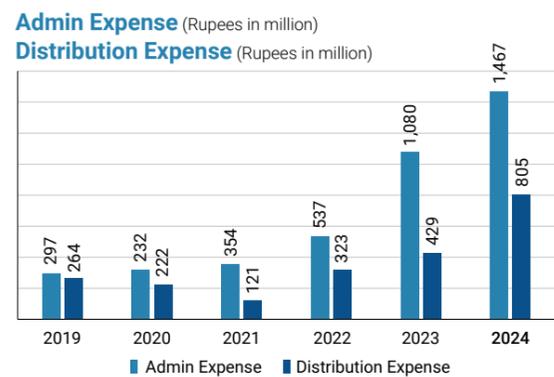
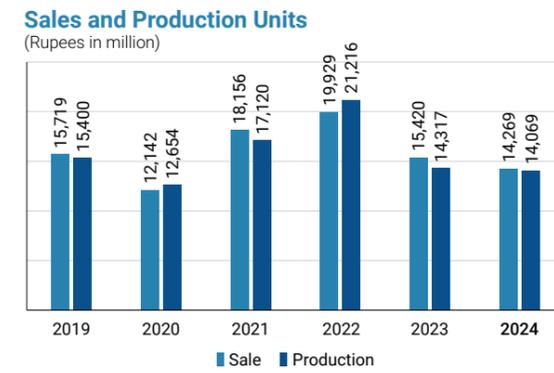
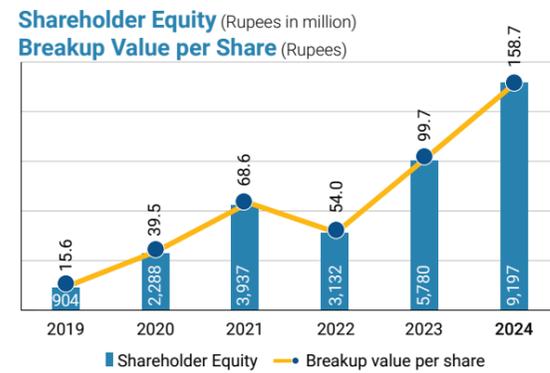
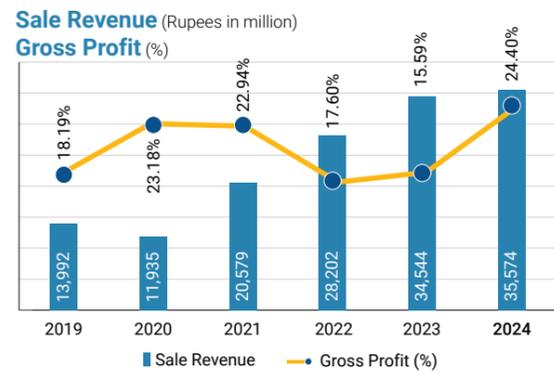
The company's capital structure ratios highlight a conservative financial approach. The financial leverage ratio of 0.31 indicates a low level of financial leverage, suggesting that the company relies more on equity financing than debt.

The weighted average cost of debt is reasonable at 2.65%, indicating the cost of debt on the minimal side. The debt-to-equity ratio is moderate at 0.26 based on book value and significantly lower at 0.06 based on market value, indicating a conservative approach in financing of major portion through equity. The interest cover ratio of 13.78 suggests that the company can comfortably meet its interest obligations with its earnings.

In conclusion, the company's financial analysis for 2024 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

Increase / (decrease) from preceeding year in Rs 000

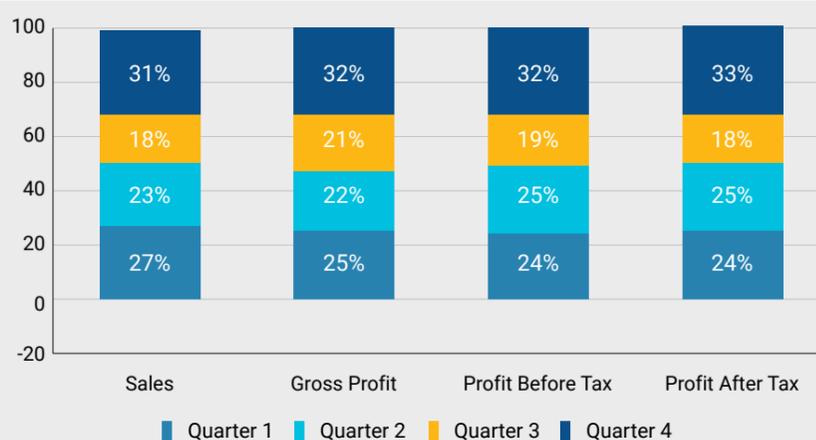
	2024	2023	2022	2021	2020	2019		2024	2023	2022	2021	2020	2019
	(Rupees '000)							(Rupees '000)					
<b>BALANCE SHEET</b>							<b>BALANCE SHEET</b>						
Fixed assets	2,289,706	1,608,167	1,331,267	1,108,805	1,066,974	1,068,382	Fixed assets	681,539	276,900	222,462	41,831	(1,408)	239,578
Long-term loans and deposits	16,219	16,919	20,473	11,334	4,941	4,757	Long-term loans and deposits	(700)	(3,553)	9,139	6,393	184	61
Employee benefit prepayments	-	32,039	-	8,481	36,197	-	Employee benefit prepayments	(32,039)	32,039	(8,481)	(27,716)	36,197	-
Deferred tax asset	79,051	129,972	101,819	85,553	111,756	87,090	Deferred tax asset	(50,921)	28,153	16,266	(26,203)	24,666	87,090
Inventories	5,764,333	6,084,499	5,263,574	2,875,085	2,004,517	2,786,893	Inventories	(320,166)	820,925	2,388,489	870,568	(782,376)	(720,695)
Trade receivables	5,052,051	-	161,820	4,651	-	9,624	Trade receivables	5,052,051	(161,820)	157,169	4,651	(9,624)	(46,982)
Loan and advances	984,688	95,715	91,105	147,874	86,561	93,216	Loan and advances	888,973	4,610	(56,769)	61,313	(6,655)	(39,121)
Trade deposits and short-term prepayments	107,456	324,848	372,903	114,772	24,925	7,398	Trade deposits and short-term prepayments	(217,392)	(48,055)	258,131	89,847	17,527	(35,907)
Interest accrued	344	3,371	1,550	1,396	197	-	Interest accrued	(3,027)	1,821	154	1,199	197	(1)
Other receivables	49,327	201	4,833	8,283	8,225	108,134	Other receivables	49,126	(4,632)	(3,450)	58	(99,909)	95,170
Taxation - payments less provision	-	-	-	142,313	157,786	347,462	Taxation - payments less provision	-	-	(142,313)	(15,473)	(189,676)	239,422
Refunds due from the Government	5,072,477	4,210,453	4,203,395	2,983,446	1,450,847	773,334	Refunds due from the Government	862,024	7,058	1,219,949	1,532,599	677,513	(1,023,872)
Cash and bank balances	976,090	1,723,449	727,990	1,998,122	230,518	189,093	Cash and bank balances	(747,359)	995,459	(1,270,132)	1,767,604	41,425	(104,817)
<b>Total assets</b>	<b>20,391,742</b>	<b>14,229,633</b>	<b>12,280,729</b>	<b>9,490,115</b>	<b>5,183,444</b>	<b>5,475,383</b>	<b>Total assets</b>	<b>6,162,109</b>	<b>1,948,904</b>	<b>2,790,614</b>	<b>4,306,671</b>	<b>(291,939)</b>	<b>(1,310,074)</b>
Current liabilities	11,002,538	8,299,836	8,990,546	5,467,934	2,849,239	4,442,078	Current liabilities	2,702,702	(690,710)	3,522,612	2,618,695	(1,592,839)	(857,883)
Non-current liabilities	192,291	149,572	158,098	48,914	46,083	129,588	Non-current liabilities	42,719	(8,526)	109,184	2,831	(83,505)	13,489
<b>Total liabilities</b>	<b>11,194,829</b>	<b>8,449,408</b>	<b>9,148,644</b>	<b>5,516,848</b>	<b>2,895,322</b>	<b>4,571,666</b>	<b>Total liabilities</b>	<b>2,745,421</b>	<b>(699,236)</b>	<b>3,631,796</b>	<b>2,621,526</b>	<b>(1,676,344)</b>	<b>(844,394)</b>
<b>Capital employed</b>	<b>9,196,913</b>	<b>5,780,225</b>	<b>3,132,085</b>	<b>3,973,267</b>	<b>2,288,122</b>	<b>903,717</b>	<b>Capital employed</b>	<b>3,416,688</b>	<b>2,648,140</b>	<b>(841,182)</b>	<b>1,685,145</b>	<b>1,384,405</b>	<b>(465,680)</b>
Share capital	289,821	289,821	289,821	289,821	289,821	289,821	Share capital	-	-	-	-	-	-
Reserves	8,907,092	5,490,404	2,842,264	3,683,446	1,998,301	613,896	Reserves	3,416,688	2,648,140	(841,182)	1,685,145	1,384,405	(465,680)
<b>Capital employed</b>	<b>9,196,913</b>	<b>5,780,225</b>	<b>3,132,085</b>	<b>3,973,267</b>	<b>2,288,122</b>	<b>903,717</b>	<b>Capital employed</b>	<b>3,416,688</b>	<b>2,648,140</b>	<b>(841,182)</b>	<b>1,685,145</b>	<b>1,384,405</b>	<b>(465,680)</b>
<b>PROFIT AND LOSS ACCOUNT</b>							<b>PROFIT AND LOSS ACCOUNT</b>						
Revenue	34,574,430	34,543,545	28,201,812	20,578,906	11,935,172	13,992,388	Revenue	30,885	6,341,733	7,622,906	8,643,734	(2,057,216)	(5,380,134)
Cost of sales	26,139,744	28,120,477	23,140,366	15,857,678	9,164,670	11,447,672	Cost of sales	(1,980,733)	4,980,111	7,282,688	6,693,008	(2,283,002)	(3,259,366)
Gross profit	8,434,686	6,423,068	5,061,446	4,721,228	2,770,502	2,544,716	Gross profit	2,011,618	1,361,622	340,218	1,950,726	225,786	(2,120,768)
Distribution expenses	804,790	428,974	322,944	120,631	221,904	263,946	Distribution expenses	375,816	106,030	202,313	(101,273)	(42,042)	(13,004)
Administrative expenses	1,466,521	1,080,879	536,715	353,849	322,675	296,763	Administrative expenses	385,642	544,164	182,866	31,174	25,912	(8,662)
	6,163,375	4,913,215	4,102,618	4,246,748	2,225,923	1,984,007		1,250,160	810,597	(144,130)	2,020,825	241,916	(2,099,102)
Other income	315,630	560,091	184,613	146,057	58,798	61,423	Other income	(244,461)	375,478	38,556	87,259	(2,625)	(479)
Other operating expenses	323,530	429,812	345,416	214,321	211,025	298,443	Other operating expenses	(106,282)	84,396	131,095	3,296	(87,418)	13,835
	6,155,475	5,043,494	3,941,815	4,178,484	2,073,696	1,746,987		1,111,981	1,101,679	(236,669)	2,104,788	326,709	(2,113,416)
Finance cost	446,775	356,402	245,035	8,754	145,789	398,463	Finance cost	90,373	111,367	236,281	(137,035)	(252,674)	272,895
Profit before taxation	5,708,700	4,687,092	3,795,949	4,169,730	1,927,907	1,348,524	Profit before taxation	1,021,608	891,143	(373,781)	2,241,823	579,383	(2,386,311)
Income tax expense	2,166,425	2,075,320	1,639,905	1,211,868	578,250	370,872	Income tax expense	91,105	435,415	428,037	633,618	207,378	(911,449)
<b>Profit for the year</b>	<b>3,542,275</b>	<b>2,611,772</b>	<b>2,156,044</b>	<b>2,957,862</b>	<b>1,349,657</b>	<b>977,652</b>	<b>Profit for the year</b>	<b>930,503</b>	<b>455,728</b>	<b>(801,818)</b>	<b>1,608,205</b>	<b>372,005</b>	<b>(1,474,862)</b>

## SIX YEARS VERTICAL ANALYSIS

	2024	2024	2023	2023	2022	2022		2021	2021	2020	2020	2019	2019
	(Rupees '000)	%age	(Rupees '000)	%age	(Rupees '000)	%age		(Rupees '000)	%age	(Rupees '000)	%age	(Rupees '000)	%age
Increase / (decrease) from preceeding year in Rs 000													
<b>BALANCE SHEET</b>							<b>BALANCE SHEET</b>						
Fixed assets	2,289,706	7.25%	1,608,167	7.09%	1,331,267	42.50%	Fixed assets	1,108,805	27.91%	1,066,974	46.63%	1,068,382	118.22%
Long-term investments	-	0.00%	-	0.00%	-	0.00%	Long-term investments	-	0.00%	-	0.00%	-	-
Long-term loans and deposits	16,219	0.05%	16,919	0.07%	20,473	0.65%	Long-term loans and deposits	11,334	0.29%	4,941	0.22%	4,757	0.53%
Employee benefit prepayments	-	0.00%	32,039	0.14%	-	0.00%	Employee benefit prepayments	8,481	0.21%	36,197	1.58%	-	-
Deferred tax asset	79,051	0.25%	129,972	0.57%	101,819	3.25%	Deferred tax asset	85,553	2.15%	111,756	4.88%	87,090	9.64%
Inventories	5,764,333	18.25%	6,084,499	26.83%	5,263,574	168.05%	Inventories	2,875,085	72.36%	2,004,517	87.61%	2,786,893	308.38%
Trade receivables	5,052,051	15.99%	-	0.00%	161,820	5.17%	Trade receivables	4,651	0.12%	-	0.00%	9,624	1.06%
Loan and advances	984,688	3.12%	95,715	0.42%	91,105	2.91%	Loan and advances	147,874	3.72%	86,561	3.78%	93,216	10.31%
Trade deposits and short-term prepayments	107,456	0.34%	324,848	1.43%	372,903	11.91%	Trade deposits and short-term prepayments	114,772	2.89%	24,925	1.09%	7,398	0.82%
Interest accrued	344	0.00%	3,371	0.01%	1,550	0.05%	Interest accrued	1,396	0.04%	197	0.01%	-	0.00%
Other receivables	49,327	0.16%	201	0.00%	4,833	0.15%	Other receivables	8,283	0.21%	8,225	0.36%	108,134	11.97%
Taxation - payments less provision	-	0.00%	-	0.00%	-	0.00%	Taxation - payments less provision	142,313	3.58%	157,786	6.90%	347,462	38.45%
Refunds due from the Government	5,072,477	16.06%	4,210,453	18.57%	4,203,395	134.20%	Refunds due from the Government	2,983,446	75.09%	1,450,847	63.41%	773,334	85.57%
Other financial assets	-	0.00%	-	0.00%	-	0.00%	Other financial assets	-	0.00%	-	0.00%	-	0.00%
Cash and bank balances	976,090	3.09%	1,723,449	7.60%	727,990	23.24%	Cash and bank balances	1,998,122	50.29%	230,518	10.07%	189,093	20.92%
<b>Total assets</b>	<b>20,391,742</b>	<b>64.56%</b>	<b>14,229,633</b>	<b>62.74%</b>	<b>12,280,729</b>	<b>392.09%</b>	<b>Total assets</b>	<b>9,490,115</b>	<b>238.85%</b>	<b>5,183,444</b>	<b>226.54%</b>	<b>5,475,383</b>	<b>605.87%</b>
Current liabilities	11,002,538	34.83%	8,299,836	36.60%	8,990,546	287.05%	Current liabilities	5,467,934	137.62%	2,849,239	124.52%	4,442,078	491.53%
Non-current liabilities	192,291	0.61%	149,572	0.66%	158,098	5.05%	Non-current liabilities	48,914	1.23%	46,083	2.01%	129,588	14.34%
<b>Total liabilities</b>	<b>11,194,829</b>	<b>35.44%</b>	<b>8,449,408</b>	<b>37.26%</b>	<b>9,148,644</b>	<b>292.09%</b>	<b>Total liabilities</b>	<b>5,516,848</b>	<b>138.85%</b>	<b>2,895,322</b>	<b>126.54%</b>	<b>4,571,666</b>	<b>505.87%</b>
<b>Capital employed</b>	<b>31,586,571</b>	<b>100.00%</b>	<b>22,679,041</b>	<b>100.00%</b>	<b>3,132,085</b>	<b>100.00%</b>	<b>Capital employed</b>	<b>3,973,267</b>	<b>100.00%</b>	<b>2,288,122</b>	<b>100.00%</b>	<b>903,717</b>	<b>100.00%</b>
Share capital	289,821	0.92%	289,821	1.28%	289,821	9.25%	Share capital	289,821	7.29%	289,821	12.67%	289,821	32.07%
Reserves	8,907,092	28.20%	5,490,404	24.21%	2,842,264	90.75%	Reserves	3,683,446	92.71%	1,998,301	87.33%	613,896	67.93%
Capital employed	9,196,913	29.12%	5,780,225	25.49%	3,132,085	100.00%	Capital employed	3,973,267	100.00%	2,288,122	100.00%	903,717	100.00%
<b>PROFIT AND LOSS ACCOUNT</b>							<b>PROFIT AND LOSS ACCOUNT</b>						
Revenue	34,574,430	100.00%	34,543,545	100.00%	28,201,812	100.00%	Revenue	20,578,906	100.00%	11,935,172	100.00%	13,992,388	100.00%
Cost of sales	26,139,744	75.60%	28,120,477	81.41%	23,140,366	82.05%	Cost of sales	15,857,678	77.06%	9,164,670	76.79%	11,447,672	81.81%
Gross profit	8,434,686	24.40%	6,423,068	18.59%	5,061,446	17.95%	Gross profit	4,721,228	22.94%	2,770,502	23.21%	2,544,716	18.19%
Distribution expenses	804,790	2.33%	428,974	1.24%	322,944	1.15%	Distribution expenses	120,631	0.59%	221,904	1.86%	263,946	1.89%
Administrative expenses	1,466,521	4.24%	1,080,879	3.13%	536,715	1.90%	Administrative expenses	353,849	1.72%	322,675	2.70%	296,763	2.12%
	6,163,375	17.83%	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%
Other income	315,630	0.91%	560,091	1.62%	184,613	0.65%	Other income	146,057	0.71%	58,798	0.49%	61,423	0.44%
Other operating expenses	323,530	0.94%	429,812	1.24%	345,416	1.22%	Other operating expenses	214,321	1.04%	211,025	1.77%	298,443	2.13%
	6,155,475	17.80%	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%
Finance cost	446,775	1.29%	356,402	1.03%	245,035	0.87%	Finance cost	8,754	0.04%	145,789	1.22%	398,463	2.85%
Profit before taxation	5,708,700	16.51%	4,687,092	13.57%	3,795,949	13.46%	Profit before taxation	4,169,730	20.26%	1,927,907	16.15%	1,348,524	9.64%
Income tax expense	2,166,425	6.27%	2,075,320	6.01%	1,639,905	5.81%	Income tax expense	1,211,868	5.89%	578,250	4.84%	370,872	2.65%
Profit for the year	3,542,275	10.25%	2,611,772	7.56%	2,156,044	7.65%	Profit for the year	2,957,862	14.37%	1,349,657	11.31%	977,652	6.99%

# QUARTERLY ANALYSIS

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
	Mar-24	Jun-24	Sep-24	Dec-24	
Revenue	9,496,684	8,043,836	6,295,040	10,738,870	34,574,430
Cost of sales	(7,386,468)	(6,214,475)	(4,533,759)	(8,005,042)	(26,139,744)
Gross profit	2,110,216	1,829,361	1,761,281	2,733,828	8,434,686
Gross profit %	22.2%	22.7%	28.0%	25.5%	24.4%
Distribution expenses	(181,225)	(16,259)	(184,664)	(422,642)	(804,790)
Administrative expenses	(395,130)	(339,698)	(427,693)	(304,000)	(1,466,521)
	(576,355)	(355,957)	(612,357)	(726,642)	(2,271,311)
Other income	32,058	192,342	46,970	44,260	315,630
Other operating expenses	(125,460)	(110,561)	(21,396)	(66,113)	(323,530)
Operating Profit	1,440,459	1,555,185	1,174,498	1,985,333	6,155,475
Finance cost	(50,131)	(108,285)	(107,833)	(180,526)	(446,775)
Profit before taxation	1,390,328	1,446,900	1,066,665	1,804,807	5,708,700
Income tax expense	(537,012)	(566,969)	(433,216)	(629,228)	(2,166,425)
Profit for the year	853,316	879,931	633,449	1,175,579	3,542,275
	9.0%	10.9%	10.1%	10.9%	10.2%



## Quarterly Result Commentary for the Year 2024

### Revenue Analysis

Throughout the year 2024, the company demonstrated consistent revenue growth, with quarterly revenues of Rs 9,497 M in Q1, Rs 8,044 M in Q2, Rs 6,295 M in Q3, and Rs 10,739 M in Q4, totaling Rs 34,574 M for the year. Notably, Q4 recorded the highest revenue, due to significant portion of the sales volume coming from "Green Tractor Scheme" in November and December.

### Gross Profit Margin

The gross profit margin fluctuated across quarters, ranging from 22.2% in Q1 to a maximum of 28% in Q3, with an annual average of 24.4%. 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, Q4 witnessed a spike in distribution expenses due to the launch of NH 850.

### Other Income and Expenses

The company generated additional income from non-operating sources, contributing Rs 316 M for the year. Conversely, finance costs fluctuated, with significant expenses incurred in Q4, impacting overall profitability.

### Profitability

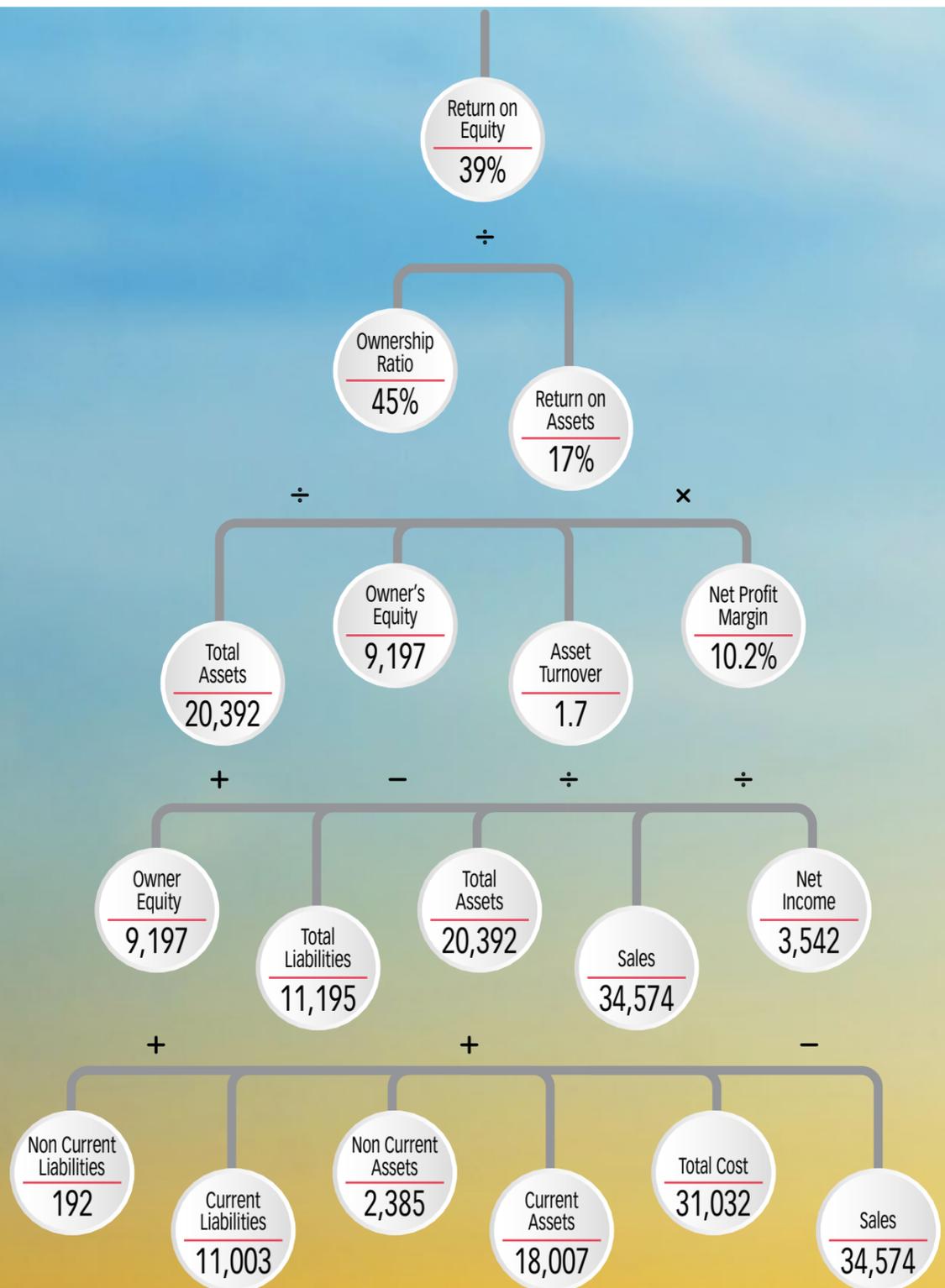
Despite fluctuations in revenue and expenses, the company maintained a relatively stable net profit margin throughout the year, ranging from 9% to 11% across quarters, with an annual average of 10.2%. This consistency indicates effective cost management and operational efficiency, resulting in sustained profitability.



### Overall Performance

The company's performance in 2024 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



(Rupees in millions)

## Comments on Dupont Analysis

The DuPont analysis for the year 2024 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 1.7 indicates that for every rupee of total assets, the company generated Rs 1.7 in sales revenue. This suggests efficient utilization of assets to drive sales growth and revenue generation.

### Profitability

With a net profit margin of 10.2%, the company effectively converted its sales revenue into net income. Growth in net profit 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 45%. This suggests that the company maintains a healthy balance of financing from debt and equity, indicating an efficient financial structure. Additionally, the return on assets (ROA) of 17% demonstrates the company's efficiency in generating profits from its assets.

### Return on Equity (ROE)

The return on equity (ROE) of 39% 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

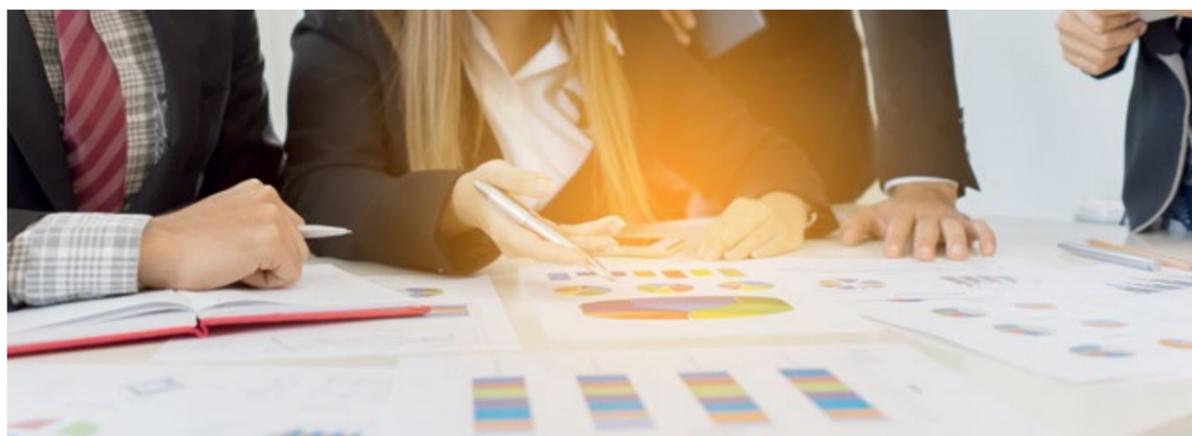
Overall, the DuPont analysis for 2024 highlights the company's effective management of assets, profitability, and financial leverage, culminating in a robust return on equity. The company's focus on efficient asset utilization, prudent cost management, and conservative financial structure has resulted in strong financial performance and value creation for its shareholders.



## DIRECT CASH FLOW STATEMENT

For the year ended December 31, 2024

	2024	2023
	Rupees '000	
<b>Cash flows from operating activities</b>		
Cash receipts from customers	29,522,379	34,725,660
Cash paid to suppliers / service providers and employees	(26,361,604)	(29,146,863)
Workers Funds	(359,280)	(356,460)
Income tax paid	(2,123,188)	(1,908,092)
Sales tax refund / (Payment)	(862,024)	(7,058)
Finance costs paid	(279,288)	(227,024)
Retirement benefits	(67,406)	(61,974)
Loans, deposits & other operating income - net	(1,506)	33,895
(Decrease) / increase in long-term loans	1,104	(793)
<b>Net Cash (used) / generated from operating activities</b>	<b>(530,813)</b>	<b>3,051,290</b>
<b>Cash flows from investing activities</b>		
Fixed Capitale Expenditure	(1,069,069)	(468,994)
Proceeds from disoposal of fixed asssets	10,464	14,881
Return on bank deposits	85,332	442,428
<b>Net Cash (used) / generated from investing activities</b>	<b>(973,273)</b>	<b>(11,685)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(4,580)	(9,853)
Musharkah facility obtained	780,638	(1,136,320)
Recovery of other financial asset	-	44,000
Short term boworrying obtained	-	(115,000)
Lease rentals paid	(19,331)	(17,574)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>756,727</b>	<b>(1,234,747)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(747,359)</b>	<b>1,804,858</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,723,449</b>	<b>(81,409)</b>
<b>Cash and cash equivalents at end of the year</b>	<b>976,090</b>	<b>1,723,449</b>

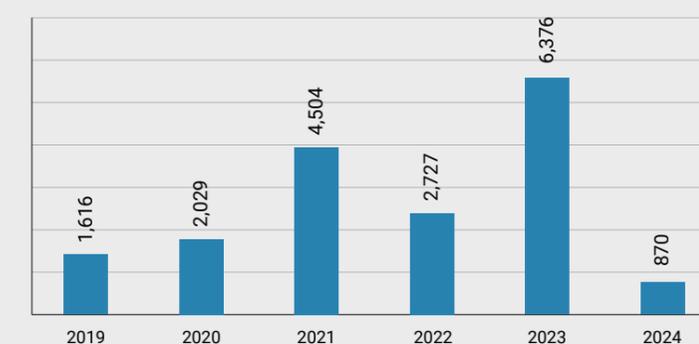


## FREE CASH FLOWS

	2024	2023	2022	2021	2020	2019
	Rupees '000					
Profit before taxation	5,708,700	4,687,092	3,795,949	4,169,730	1,927,907	1,348,524
Adjustment of non cash items	666,586	(147,678)	175,530	14,896	204,542	475,355
Working capital changes	(4,435,815)	2,306,076	(971,384)	445,869	(8,803)	112,919
<b>Net cash generated from operating activities</b>	<b>1,939,471</b>	<b>6,845,490</b>	<b>3,000,096</b>	<b>4,630,495</b>	<b>2,123,646</b>	<b>1,936,798</b>
Capital expenditure	(1,069,069)	(468,994)	(272,627)	(126,743)	(94,945)	(320,631)
<b>Free Cash flows</b>	<b>870,402</b>	<b>6,376,496</b>	<b>2,727,469</b>	<b>4,503,752</b>	<b>2,028,701</b>	<b>1,616,167</b>



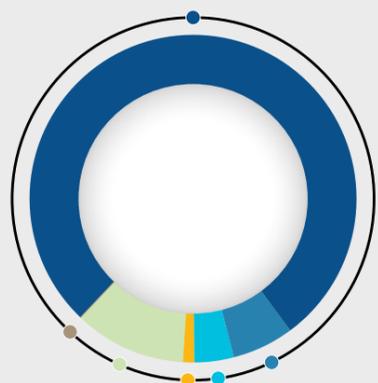
Free Cash Flows



# STATEMENT OF VALUE ADDITION



	2024		2023	
	Rs '000	%	Rs '000	%
<b>Wealth Generated</b>				
Sales	34,574,430	99.1%	34,543,545	98.4%
Other income	315,630	0.9%	560,091	1.6%
	<b>34,890,060</b>	<b>100%</b>	<b>35,103,636</b>	<b>100%</b>
<b>Distribution of Wealth</b>				
Cost of sales & overheads (excluding remuneration)	27,284,084	78%	28,783,762	82%
To employees as remuneration	1,450,501	4%	1,276,380	4%
To government as tax	2,166,425	6%	2,075,320	6%
WPPF and WWF	422,896	1%	356,460	1%
To shareholders as dividend	-	0%	-	0%
Cash Retained within the business	3,566,154	10%	2,611,714	7%
	<b>34,890,060</b>	<b>100%</b>	<b>35,103,636</b>	<b>100%</b>



- 78% ● Cost of sales and overheads
- 6% ● To government as tax
- 4% ● To employees as remuneration
- 1% ● WPPF and WWF
- 11% ● Retained within the business
- 0% ● To shareholders as dividend

## Statement of Value Addition Commentary for 2024

The statement of value addition for the year 2024 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 34,890m in wealth during 2024, representing a slight decrease from the previous year's figure of Rs 35,104m. The decrease is mainly due to decrease in other income (316m in 2024 vs 560m in 2023). The major growth in wealth generation is primarily attributed to the substantial increase in sales revenue amount due to price increase, which accounted for 99.1% of total wealth generated, reflecting the company's successful revenue generation efforts and market expansion strategies. Additionally, other income contributed 0.9% to the total wealth, which was 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 78%, 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.

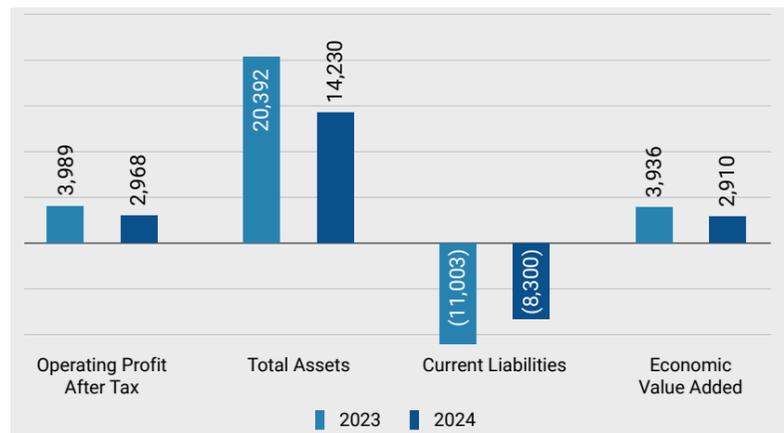
### Retention of Value

Despite the substantial distribution of wealth to various stakeholders, the company retained 10% of total wealth within the business, amounting to Rs 3,566m. 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 2024 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

	2024	2023
Rupees '000		
Net Operating Profit after Tax	3,989,050	2,968,174
Cost of Capital	(52,745)	(58,094)
<b>Economic Value Added</b>	<b>3,936,305</b>	<b>2,910,081</b>
Total Assets	20,391,742	14,229,633
Current Liabilities	(11,002,538)	(8,299,836)
Invested Capital	9,389,204	5,929,797
WACC	0.56%	0.98%
Cost of Capital	52,745	58,094



### Comments on Economic Value Added (EVA)

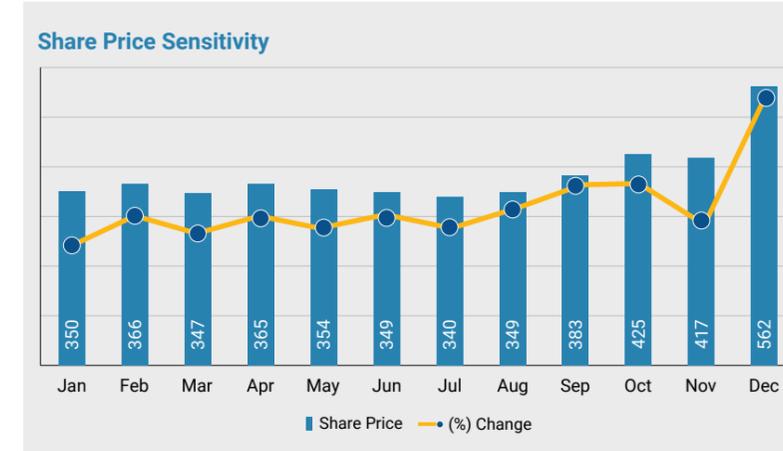
The economic value added (EVA) analysis for the years 2024 and 2023 reveals a positive trend in the company's performance. In 2024, the net operating profit after tax amounted to Rs 3,989m marking a significant increase from the previous year's figure of Rs 2,968m. This increase in profitability contributed to the growth of economic value added, which reached Rs 3,936m in 2024 compared to Rs 2,910m in 2023.

Furthermore, the company's invested capital witnessed a substantial increase from Rs 5,929m in 2023 to Rs 9,389m in 2024, 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

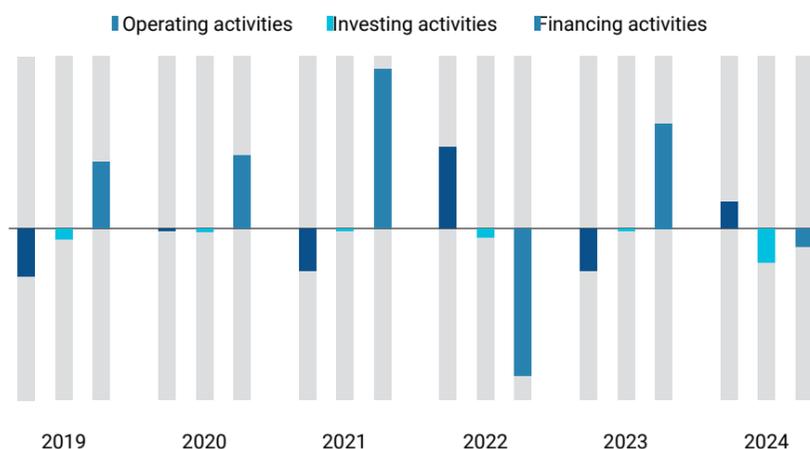
The company's exposure to exchange rate fluctuations, particularly due to its reliance on imported raw materials, poses a significant risk to its financial performance. The depreciation of the Pakistani Rupee can adversely affect the company's financial performance, potentially influencing its share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

# SUMMARY OF STATEMENT OF CASH FLOWS LAST SIX YEARS



	2024	2023	2021	2020	2019	2018
	Rupees '000					
Net cash (used in) / generated from operating activities	(530,813)	3,051,290	(4,270,631)	4,630,496	2,125,302	1,936,798
Net cash used in investing activities	(973,273)	(11,685)	(162,817)	(34,067)	(38,909)	(303,716)
Net cash generated from / (used in) financing activities	756,727	(1,234,748)	2,353,917	(1,240,189)	(4,708)	(1,393,589)
Net (decrease) / increase in cash and cash equivalents	(747,359)	1,804,857	(2,079,531)	3,356,240	2,081,685	239,493
Cash and cash equivalents as at the beginning of the year	1,723,449	(81,409)	1,998,122	(1,358,118)	(3,439,803)	(3,679,296)
Cash and cash equivalents as at the end of the year	976,090	1,723,449	(81,409)	1,998,122	(1,358,118)	(3,439,803)



## Comments on Cash flow Analysis:

The cash flow statement for the year 2024 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 -531m, this is due to uncollected subsidy amount of Rs 5 billion from Govt. of Punjab against GTS invoicing however, other than that the company's core business operations were profitable and generated positive cash flow during the year. This positive cash flow from operations suggests efficient management of working capital and effective revenue generation.

musharkha facility This 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, 2024 stood at PKR 5.5 billion.

In conclusion, the cash flow statement for 2024 reflects the company's ability to generate positive cash flows (excluding Govt. subsidy receivable) 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.

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.

### Investing Activities

The company utilized Rs 973m 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.

### Net Increase in Cash

Overall, the company experienced a net decrease in cash and cash equivalents of Rs 747m during the year. This negative cash flow indicates that the company's cash outflows exceeded inflows, resulting in a negative 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 976m, lower than the beginning-of-year balance of Rs 1,723m. This decrease in cash reserves mainly due to receivable balances from Govt.

### Financing Activities

Net cash inflow in financing activities amounted to Rs 756m, indicating cash inflows related to financing activities mainly

# SEGMENTAL REVIEW OF BUSINESS



toll of these challenges, with the company selling 14,269 tractors compared to the previous year's tally of 15,420 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.

## 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.

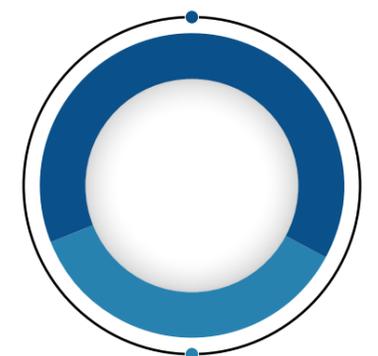
Among these entities, Al-Ghazi Tractors Limited (AGTL) holds a significant position as the second-largest player in Pakistan's tractor industry, commanding a 36% market

share, while competitors control the remaining 64%.

AGTL has experienced a steady market share compared to the previous year. This 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



64% ● Competitors Market Share  
36% ● AGTL Market Share

# 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  
 Pston 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/cm<sup>2</sup>  
 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

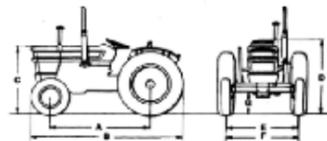
Telescopic type, inverted U, variable track

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

**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



# 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/cm<sup>2</sup>  
 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

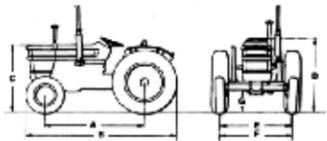
Telescopic type, inverted U, variable track

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.**  
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## 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/cm<sup>2</sup>  
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

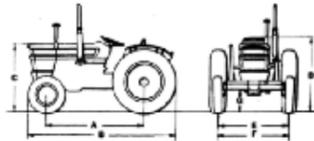
E: Front track (8 positions):

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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LAHORE

DERA GHAZI KHAN

ISLAMABAD

MULTAN

SUKKUR



## 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. Synchronesh 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/cm<sup>2</sup>  
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

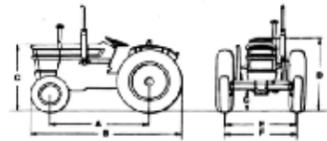
Service dry band-type; mechanically operated.  
Parking: manual lever.

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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MULTAN

SUKKUR



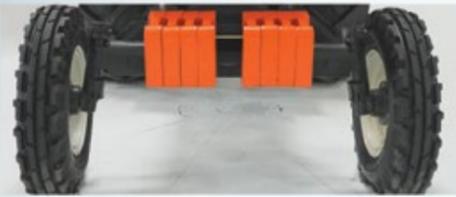
## NH-640 (75 HP)



## AL-GHAZI TRACTORS LTD.

Producers of NEW HOLLAND Tractors in Pakistan

### MULTIPLE FARM OPERATIONS AND ROW CROP PATTERNS

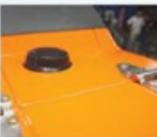


### TRACKS AND ALIGNMENT

6 tracks setting with easy alignment from 1412mm to 2012mm for a wider span of implement for ease of multiple farm operations and row crop patterns



From front to back, you will find it easy to maintain exceptional engineering requiring low maintenance, the key to lifelong durability



Refill the 65-litre fuel tank from ground level



The oil and fuel filters are easy to check, and replace with no need for tools

### DESIGNED WITH THE OPERATOR COMFORT IN MIND

The operator area of NH-850 is spacious, with front-mounted P.T.O lever, and well-thought-out comfort & space, perfect for those long days in the field. Easy access to controls for the operator. Separate P.T.O and main clutch lever

Front mounted P.T.O Clutch lever  
Mobile charging port



Separate clutch system for transmission with foot pedal



Elegant front grill with powerful headlights for easy night operations



Engine and hydraulic oil are checked without opening the bonnet for faster checking and simpler servicing

### CONVENIENT AND TIRELESS OPERATIONS

- Heavy duty front axle, front support, spindles and steering arms for all the types of front attachments
- Double acting hydrostatic power steering



### THE MOST COMFORTABLE PLACE TO BE

NH-850 tractor is designed to spend more time working in the fields and less time in the workshop. For routine maintenance, all service points are readily accessible from ground level



A canopy for additional protection & comfort in sunny and rainy days



Spacious leg space and operator area

### SMOOTH OPERATION WITH HEAVY IMPLEMENTS

- High stability
- Efficient traction especially when your implements are heavy and require a lot of torque
- Front and rear weights for enhanced traction
- Specially designed towing hook for haulage with heavy load trolleys



Front weights



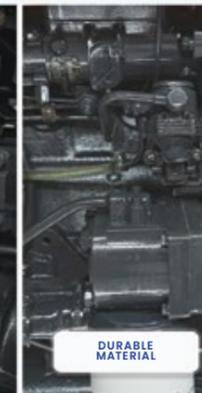
Towing hook



Rear weights



# NEW HOLLAND - 850



For more information visit the nearest dealership or contact us at  
UAN: 042 111 850 000 0300 0723723



# FINANCIAL STATEMENTS

for the year ended December 31, 2024



A.F. FERGUSON &amp; 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, 2024, 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, 2024 and of the profit and other comprehensive loss, 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 &amp; CO.

Following are the Key Audit Matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
(i)	<b>Inventories</b>  <i>(Refer note 7 to the annexed financial statements)</i>  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.  Given the level of significant management judgements and estimates involved we considered inventory valuation a key audit matter.	We performed, amongst others, the following audit procedures: <ul style="list-style-type: none"> <li>• Obtained understanding of valuation methodology, the basis and process for making the inventory provision;</li> <li>• Obtained understanding of design, implementation and operating effectiveness of the key controls management has established for inventory provision computations;</li> <li>• 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</li> <li>• Assessed the adequacy of the disclosures made by the Company in accordance with applicable accounting and reporting standards.</li> </ul>



A.F.FERGUSON&amp;Co.

S.No.	Key Audit Matter	How the matter was addressed in our audit
(ii)	<p><b>Revenue from contracts with customers</b></p> <p><i>(Refer note 21 to the annexed financial statements)</i></p> <p>The Company primarily generates revenue from sale of tractors and trading goods. Revenue from contracts with customers is recognized when performance obligation is satisfied i.e., when goods are dispatched from the premises of the Company.</p> <p>During the year, Green Tractor Program had been announced by Government of Punjab. Under this program, the Company was required to deliver the tractors to the dealership and onwards to farmers, resulting in additional performance obligation.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and an area of significant audit risk.</p>	<p>We performed, amongst others, the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Obtained understanding and evaluated the design, implementation and operating effectiveness of controls over revenue;</li> <li>• Evaluated appropriateness of Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;</li> <li>• Performed verification of revenue transactions with the underlying documentation including gate pass, delivery order, customer delivery receipts, undertaking from the customers, registration documents, sales invoice etc.;</li> <li>• Performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period;</li> <li>• Performed verification over discounts, commission and incentives on sample basis;</li> <li>• Performed revenue analyses including month on month analysis, year on year analysis, model wise analysis, etc. and inquire unusual fluctuations, if any; and</li> <li>• Reviewed the adequacy of the disclosures made by the Company in this area with regard to applicable accounting and reporting standards.</li> </ul>

#### 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 report 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.



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#### 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.

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.



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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.

#### 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, 2025

UDIN: AR202410073N3EaS9CXj



A.F. FERGUSON &amp; CO.

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

14 March 2025

Our reference: ASR 4740

Dear Sir

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  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

# STATEMENT OF FINANCIAL POSITION

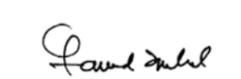
As at December 31, 2024

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	1,838,546	1,607,672
Intangible assets	5	451,160	495
Deferred tax asset	6	79,051	129,972
Long-term loans		2,355	3,459
Long-term deposits		13,864	13,460
Employee benefit prepayments	33	-	32,039
		2,384,976	1,787,097
<b>CURRENT ASSETS</b>			
Inventories	7	5,764,333	6,084,499
Trade receivables	8	5,052,051	-
Loans and advances	9	984,688	95,715
Trade deposits and short-term prepayments	10	107,456	324,848
Interest accrued		344	3,371
Other receivables	11	49,327	201
Refunds due from the Government	12	5,072,477	4,210,453
Cash and bank balances	13	976,090	1,723,449
		18,006,766	12,442,536
<b>TOTAL ASSETS</b>		<b>20,391,742</b>	<b>14,229,633</b>
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	14	289,821	289,821
Unappropriated profit		8,907,092	5,490,404
		9,196,913	5,780,225
<b>NON-CURRENT LIABILITIES</b>			
Deferred staff benefits - compensated absences		102,052	103,154
Lease liability	15	31,476	46,418
Employee benefit obligations	33	58,763	-
		192,291	149,572
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	5,383,665	3,812,570
Customers' advances	17	490,732	131,452
Taxation - provision less payments		206,131	213,815
Unclaimed dividend		60,918	65,498
Unpaid dividend	18	2,416,858	2,416,858
Current portion of lease liability	15	14,943	10,990
Short-term financing	19	2,429,291	1,648,653
		11,002,538	8,299,836
<b>TOTAL LIABILITIES</b>		<b>11,194,829</b>	<b>8,449,408</b>
<b>COMMITMENTS</b>	20	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,391,742</b>	<b>14,229,633</b>

The annexed notes 1 to 44 form an integral part of these financial statements.

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

# STATEMENT OF PROFIT OR LOSS

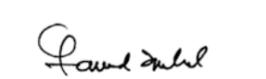
For the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	(Restated) 2023 (Rupees in thousand)
Revenue from contracts with customers	21	34,574,430	34,543,545
Cost of sales	22	(26,139,744)	(28,120,477)
<b>Gross profit</b>		<b>8,434,686</b>	<b>6,423,068</b>
Distribution expenses	23	(804,790)	(428,974)
Administrative expenses	24	(1,466,521)	(1,080,879)
		6,163,375	4,913,215
Other income	25	315,630	560,091
Other expenses	26	(323,530)	(429,812)
		6,155,475	5,043,494
Finance costs	27	(446,775)	(356,402)
<b>Profit before taxation and levy</b>		<b>5,708,700</b>	<b>4,687,092</b>
Levy - final tax	28	(2,226)	(1,191)
<b>Profit before taxation</b>		<b>5,706,474</b>	<b>4,685,901</b>
Income tax expense	29	(2,164,199)	(2,074,129)
<b>Profit for the year</b>		<b>3,542,275</b>	<b>2,611,772</b>
Earnings per share (Rupees) - Basic and diluted	30	61.11	45.06

The annexed notes 1 to 44 form an integral part of these financial statements.

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

# STATEMENT OF COMPREHENSIVE INCOME

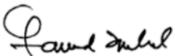
For the year ended December 31, 2024

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>Profit for the year</b>	3,542,275	2,611,772
Other comprehensive (loss) / income:		
<b>Items that will not be subsequently reclassified in profit or loss</b>		
Remeasurements of post employment benefit obligations - note 33	(125,587)	36,368
<b>Total comprehensive income for the year</b>	<b>3,416,688</b>	<b>2,648,140</b>

The annexed notes 1 to 44 form an integral part of these financial statements.

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

# STATEMENT OF CASH FLOWS

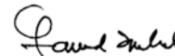
For the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	31	1,939,471	5,215,278
Income tax and levy paid		(2,123,188)	(1,908,092)
Finance cost paid		(279,288)	(227,024)
(Increase) / decrease in long-term deposits		(404)	4,346
Employee benefit obligations paid		(67,406)	(61,974)
(Decrease) / increase in deferred staff benefits			
- compensated absences		(1,102)	29,549
Decrease / (increase) in long-term loans		1,104	(793)
<b>Net cash (outflow) / inflow from operating activities</b>		<b>(530,813)</b>	<b>3,051,290</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(489,005)	(468,664)
Additions to intangible assets		(580,064)	(330)
Proceeds from disposal of property, plant and equipment		10,464	14,881
Return on bank deposits received		85,332	442,428
<b>Net cash outflow from investing activities</b>		<b>(973,273)</b>	<b>(11,685)</b>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>			
Dividend paid		(4,580)	(9,853)
Recovery of other financial asset		-	44,000
Musharkah facility obtained / (paid) - net		780,638	(1,136,320)
Short term borrowing paid		-	(115,000)
Lease rentals paid		(19,331)	(17,574)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>756,727</b>	<b>(1,234,747)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(747,359)</b>	<b>1,804,858</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>1,723,449</b>	<b>(81,409)</b>
<b>Cash and cash equivalents at end of the year</b>	32	<b>976,090</b>	<b>1,723,449</b>

The annexed notes 1 to 44 form an integral part of these financial statements.

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

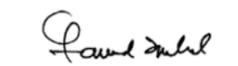
For the year ended December 31, 2024

	Issued, subscribed and paid up capital	Revenue Reserves		Total
		General reserve	Unappropriated profit	
(Rupees in thousand)				
<b>Balance as at January 1, 2023</b>	289,821	-	2,842,264	3,132,085
<b>Transactions with the owners recorded directly in equity</b>				
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
<b>Balance as at January 1, 2024</b>	289,821	-	5,490,404	5,780,225
<b>Transactions with the owners recorded directly in equity</b>				
Total comprehensive income for the year ended December 31, 2024				
Profit for the year ended December 31, 2024	-	-	3,542,275	3,542,275
Other comprehensive loss for the year ended December 31, 2024	-	-	(125,587)	(125,587)
	-	-	3,416,688	3,416,688
<b>Balance as at December 31, 2024</b>	289,821	-	8,907,092	9,196,913

The annexed notes 1 to 44 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, 2024

## 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.

**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. The matter was fixed for hearing before the Islamabad High Court who heard the matter afresh and reserved the same for orders. 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. BASIS OF PREPARATION

### 2.1 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.

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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the Company's liability under employment benefit obligation (gratuity) that is determined based on the present value of defined benefit obligation less fair value of plan assets.

## 2.3 Functional and presentation currency

The financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency and all amounts have been rounded off to nearest thousands unless otherwise indicated.

## 2.4 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 33 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 4) and intangible assets (note 5) 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 2.5 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 are mandatory for Company's annual accounting period which began on January 1, 2024. 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

The following amendment and standard are effective for the accounting periods beginning on or after January 1, 2025 and have not been early adopted by the Company:

#### Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments:

These amendments

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVTOCI)

The management is in process of assessing the impact of above changes.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material 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.

### 3.1 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

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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.

### 3.2 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.

### 3.3 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 of loss.

### 3.4 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.

### 3.5 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.

### 3.6 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Deferred tax is charged or credited in the statement of profit or loss and statement of 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.

#### Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid/payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss as these levies fall under the scope of IFRIC 21/IAS 37.

### 3.7 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.

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

### 3.8 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 3.24 for a description of the Company's impairment policies.

### 3.9 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.

### 3.10 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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, 2024 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 statement of comprehensive income in the periods in which they occur.

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

### 3.11 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.

### 3.12 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 3.13 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.

### 3.14 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).

### 3.15 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.

### 3.16 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.

### 3.17 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 Pakistani 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.

### 3.18 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## (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.

## 3.19 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.

## 3.20 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.

## 3.21 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.

## 3.22 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.

## 3.23 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.

## 3.24 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.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 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.

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 or 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. 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.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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 statement of comprehensive income. 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.

The Company considers a financial asset in default when it is more than 90 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for the recovery of amounts due.

### Derecognition

#### (i) Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

#### (ii) Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss.

#### Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3.25 Restatement

During the year the Institute of Chartered Accountant of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Rupees in thousand			
<b>For the year ended December 31, 2024</b>			
Levy - final tax	-	(2,226)	(2,226)
Profit before taxation	5,708,700	(2,226)	5,706,474
Income tax expense	(2,166,425)	2,226	(2,164,199)
<b>For the year ended December 31, 2023</b>			
Levy - final tax	-	(1,191)	(1,191)
Profit before taxation	4,687,092	(1,191)	4,685,901
Income tax expense	(2,075,320)	1,191	(2,074,129)
	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	4.1	1,733,297	1,380,918
Capital work-in-progress	4.2	105,249	226,754
		1,838,546	1,607,672

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4.1 Operating assets	Land		Building		Plant and machinery	Furniture, fixtures and office equipment	Computer hardware	Vehicles	Factory equipment and tools	Right of use assets (Note 4.1.2)	Total
	Freehold	Lease hold	on freehold land	on lease hold land							
Rupees in thousand											
<b>Net carrying value basis Year ended December 31, 2024</b>											
Opening net book value	4,334	70,121	406,953	144,720	159,091	149,062	76,179	149,685	166,767	54,006	1,380,918
Additions	-	-	5,523	-	177,900	18,524	311,355	83,684	13,524	-	610,510
Disposals (Note 4.1.3)	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	74	-	12,692	-	-	12,766
Accumulated depreciation	-	-	-	-	-	(74)	-	(12,692)	-	-	(12,766)
Depreciation charge	-	(765)	(13,159)	(4,643)	(35,559)	(20,362)	(80,717)	(67,875)	(20,815)	(14,236)	(258,131)
<b>Closing net book value</b>	<b>4,334</b>	<b>69,356</b>	<b>399,317</b>	<b>140,077</b>	<b>301,432</b>	<b>147,224</b>	<b>306,817</b>	<b>165,494</b>	<b>159,476</b>	<b>39,770</b>	<b>1,733,297</b>
<b>Gross carrying value basis At December 31, 2024</b>											
Cost	4,334	81,599	553,126	186,676	686,795	215,165	476,590	394,666	234,674	71,374	2,904,999
Accumulated depreciation	-	(12,243)	(153,809)	(46,599)	(385,363)	(67,941)	(169,773)	(229,172)	(75,198)	(31,604)	(1,171,702)
<b>Net book value</b>	<b>4,334</b>	<b>69,356</b>	<b>399,317</b>	<b>140,077</b>	<b>301,432</b>	<b>147,224</b>	<b>306,817</b>	<b>165,494</b>	<b>159,476</b>	<b>39,770</b>	<b>1,733,297</b>
<b>Net carrying value basis Year ended December 31, 2023</b>											
Opening net book value	4,334	70,945	392,204	149,375	189,149	50,146	66,660	96,191	176,817	68,281	1,264,102
Additions	-	-	27,869	-	1,920	113,156	49,071	104,942	11,464	-	308,422
Disposals	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	20,596	3,658	3,766	16,005	3,061	-	47,086
Accumulated depreciation	-	-	-	-	(20,043)	(2,962)	(3,385)	(14,611)	(1,785)	-	(42,786)
Depreciation charge	-	(824)	(13,120)	(4,655)	(31,425)	(13,544)	(39,171)	(50,054)	(20,238)	(14,275)	(187,306)
<b>Closing net book value</b>	<b>4,334</b>	<b>70,121</b>	<b>406,953</b>	<b>144,720</b>	<b>159,091</b>	<b>149,062</b>	<b>76,179</b>	<b>149,685</b>	<b>166,767</b>	<b>54,006</b>	<b>1,380,918</b>
<b>Gross carrying value basis At December 31, 2023</b>											
Cost	4,334	81,599	547,603	186,676	508,895	196,715	165,235	323,674	221,150	71,374	2,307,255
Accumulated depreciation	-	(11,478)	(140,650)	(41,956)	(349,804)	(47,653)	(89,056)	(173,989)	(54,383)	(17,368)	(926,337)
<b>Net book value</b>	<b>4,334</b>	<b>70,121</b>	<b>406,953</b>	<b>144,720</b>	<b>159,091</b>	<b>149,062</b>	<b>76,179</b>	<b>149,685</b>	<b>166,767</b>	<b>54,006</b>	<b>1,380,918</b>

Operating assets include fully depreciated assets having cost of Rs. 401.12 million (2023: Rs. 382.14 million).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

4.1.1 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

4.1.2 This represents lease of premises acquired for business operations in Lahore.

4.1.3 No property, plant and equipment, having net book value in excess of five hundred thousand rupees or more were disposed off.

## 4.2 Capital Work-In-Progress

	2024			2023				
	Balance as at January 1, 2024	Additions (Note 4.2.1 & 4.2.2)	Transfers to operating assets and intangibles (Note 4.1 & 5)	Balance as at December 31, 2024	Balance as at January 1, 2023	Additions (Note 4.2.1 & 4.2.2)	Transfers to operating assets (Note 4.1)	Balance as at December 31, 2023
Rupees in thousand								
Civil works	10,297	5,809	(5,113)	10,993	27,810	96,508	(114,021)	10,297
Computer Hardware	5,000	238,946	(243,946)	-	-	5,000	-	5,000
Softwares	159,338	411,550	(570,888)	-	-	159,338	-	159,338
Plant and machinery	-	65,649	(40,615)	25,034	-	-	-	-
Furniture, fixtures and office equipment	-	21,277	(10,566)	10,711	-	-	-	-
Vehicles	-	44,448	(39,443)	5,005	-	-	-	-
Advances to suppliers	52,119	100,878	(99,491)	53,506	38,701	292,371	(278,953)	52,119
<b>Total</b>	<b>226,754</b>	<b>888,557</b>	<b>(1,010,062)</b>	<b>105,249</b>	<b>66,511</b>	<b>553,217</b>	<b>(392,974)</b>	<b>226,754</b>

4.2.1 These include expenditure incurred mainly in respect of computer hardware acquired for the purposes of implementation of SAP S/4 HANA cloud system amounting to Rs. 238.95 million (2023: Rs. 5 million).

4.2.2 These include expenditure amounting to Rs. 411.55 million (2023: Rs. 159.34 million) incurred for the purposes of implementation of SAP S/4 HANA cloud system.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>5. INTANGIBLE ASSETS</b>			
<b>Softwares</b>			
<b>Net carrying value basis</b>			
Opening net book value		495	654
Transfer from capital work-in-progress	4.2	570,888	-
Additions		9,176	330
Amortisation		(129,399)	(489)
Closing net book value		451,160	495
<b>Gross carrying value basis</b>			
Cost		597,733	17,670
Accumulated amortisation		(146,573)	(17,175)
Net book value		451,160	495

5.1 Softwares include ERP system - SAP and other commercially acquired computer softwares.

### 6. DEFERRED TAX ASSET

6.1 Deferred tax asset comprises (deductible) / taxable temporary differences in respect of the following:

	2024			2023		
	Balance as at January 01	Recognized in profit or loss (Note 29)	Balance as at December 31	Balance as at January 01	Recognized in profit or loss (Note 29)	Balance as at December 31
	Rupees in thousand					
<b>(Taxable) / deductible temporary differences</b>						
- accelerated tax depreciation allowances	(162,930)	(22,820)	(185,750)	(144,295)	(18,635)	(162,930)
- deferred staff benefits - compensated absences	40,232	(432)	39,800	24,290	15,942	40,232
- provision for slow moving inventories	98,389	(42,236)	56,153	75,927	22,462	98,389
- provision for impairment on investment	-	-	-	16,271	(16,271)	-
- provision for doubtful receivables	4,592	49,238	53,830	9,705	(5,113)	4,592
- provision for sales tax	24,950	-	24,950	21,112	3,838	24,950
- provision others	40,586	(38,621)	1,965	24,588	15,998	40,586
- provision warranty	10,032	8,236	18,268	8,940	1,092	10,032
- provision for special excise duty	51,732	-	51,732	43,774	7,958	51,732
- lease liabilities	22,389	(4,286)	18,103	21,509	880	22,389
	129,972	(50,921)	79,051	101,821	28,151	129,972

6.2 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, 2024

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>7. INVENTORIES</b>			
Raw materials and components – including in transit Rs. 532.44 million (2023: Rs. 1,232.99 million)	7.1	4,803,818	5,233,080
Less: Provision for obsolescence	7.2	(130,010)	(367,524)
		4,673,808	4,865,556
Work-in-process		341,981	122,732
Stores and spares		165,941	136,096
Less: Provision for obsolescence	7.2	(13,585)	(14,346)
		152,356	121,750
Finished goods – tractors and implements		535,641	945,811
Less: Provision for obsolescence	7.2	(387)	-
		535,254	945,811
Trading stock – spare parts		60,934	28,650
		5,764,333	6,084,499

7.1 The amount includes raw materials of Rs. Nil (2023: Rs. 0.46 million) held by third parties.

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>7.2 Provision for obsolescence</b>		
<b>(i) Raw material</b>		
Balance as at January 1	367,524	282,145
(Reversal) / Charge for the year	(210,781)	85,379
	156,743	367,524
Written-off during the year	(26,733)	-
Balance as at December 31	130,010	367,524
<b>(ii) Stores and spares</b>		
Balance as at January 1	14,346	21,414
Charge / (reversal) for the year	-	(7,068)
	14,346	14,346
Written-off during the year	(761)	-
Balance as at December 31	13,585	14,346
<b>(iii) Finished goods</b>		
Balance as at January 1	-	4,960
Charge / (reversal) for the year	387	(4,960)
Balance as at December 31	387	-

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023
<b>8. TRADE RECEIVABLES</b>			
Unsecured	8.1	5,190,077	11,776
Less: Provision against doubtful receivables	8.2	(138,026)	(11,776)
		5,052,051	-

**8.1** This includes Rs. 3,419 million subsidy receivable from Government of Punjab under the Green Tractor Program. The age analysis of trade receivables is as follows:

	2024			2023
	Subsidy receivable	Other trade receivables	Total	Total
	(Rupees in thousand)			
Not yet due	-	1,091,566	1,091,566	-
1 to 6 months	3,419,000	679,511	4,098,511	-
More than 1 year	-	-	-	11,776
	3,419,000	1,771,077	5,190,077	11,776

	Note	2024 (Rupees in thousand)	2023
<b>8.2 Provision for doubtful receivables</b>			
Balance as at January 1		11,776	29,410
Provision made during the year		126,250	-
Written down during the year		-	(17,634)
Balance as at December 31		138,026	11,776

	Note	2024 (Rupees in thousand)	2023
<b>9. LOANS AND ADVANCES – considered good</b>			
Loans and advances to employees	9.1	42,877	11,509
Advances to suppliers for goods and services		941,811	84,206
		984,688	95,715

**9.1** 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. The Company has not discounted the said loans since the amount is immaterial to the financial statements.

	Note	2024 (Rupees in thousand)	2023
<b>10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS</b>			
LC margin against imports		-	23,039
Prepayments	10.1	105,775	84,936
Deposit with government authority	10.2	-	215,282
Other deposits	10.3	1,681	1,591
		107,456	324,848

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

**10.1** This includes prepayment of subscriptions amounting to Rs. 45.10 million (2023: Rs. 77.94 million) in respect of cloud and related services.

**10.2** This represents security deposit to Customs paid as a security for releasing container from the port without paying Customs duty due to non-availability of EDB quota. This amount was recovered during the year.

**10.3** These deposits do not carry any mark-up.

	Note	2024 (Rupees in thousand)	2023
<b>11. OTHER RECEIVABLES</b>			
Tax withheld by customers		47,736	-
Others		1,591	201
		49,327	201
<b>12. REFUNDS DUE FROM THE GOVERNMENT</b>			
Sales tax refundable	12.1	4,536,925	4,274,428
Less: Provision for sales tax		(63,975)	(63,975)
		4,472,950	4,210,453
Sales tax - net		599,527	-
Special excise duty	12.2	-	-
		5,072,477	4,210,453

**12.1** 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 has challenged the decision of SHC in Honourable Supreme Court (HSC) of Pakistan and is still pending before HSC. Based on facts, legal advice, and legal precedents the refund claim of the company is legitimate, that it shall eventually be realized in full.

During the year, the Company received an order from the Federal Tax Ombudsman (FTO). Through the order, FTO has issued directions to tax authorities to validate the Company's compliance with applicable fiscal laws related to the outstanding sales tax refund. Accordingly, the tax authorities issued show cause notices under Section 11E(1) and under Section 38 of the Sales Tax Act, 1990. The Company challenged the order before the Honourable President of Pakistan. The Honourable President modified the order of the FTO, thereby directing the FBR to ensure that in implementing the FTO's order, no injustice is done to the Company and that it should in no way prejudice the eventual outcome of the cases before the Honourable Supreme Court.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>12.2</b> Special excise duty Provision	132,647 (132,647)	132,647 (132,647)
	-	-

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.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>13. CASH AND BANK BALANCES</b>			
With banks in			
<b>Conventional</b>			
- Current accounts		190,845	295,911
- Savings and deposit accounts	13.1	531,655	436,412
<b>Islamic</b>			
- Current accounts		44,906	49,486
- Savings and deposit accounts	13.1	23,339	107,975
Cash in hand		1,526	1,093
Demand drafts in hand		183,819	832,572
		976,090	1,723,449

**13.1** During the year, the mark-up / profit rates on savings and deposit accounts range from 5.50% to 20.50% per annum (2023: 7.51% to 21.05% per annum).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>14. SHARE CAPITAL</b>		
<b>14.1 Authorised share capital</b>		
120,000,000 ordinary shares of Rs. 5 each (2023: 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			2024 (Rupees in thousand)	2023 (Rupees in thousand)
2023	2024			
4,500,000	4,500,000	Shares allotted for consideration paid in cash	22,500	22,500
53,464,201	53,464,201	Shares allotted as bonus shares	267,321	267,321
57,964,201	57,964,201		289,821	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, 2024, Al-Futtaim Industries Company LLC, U.A.E., the holding company, and CNH Industrial N.V., an associated company, held 50.02%, i.e., 28,992,705 (2023: 28,992,705) and 43.17%, i.e., 25,022,379 (2023: 25,022,379) shares of Rs. 5 each respectively.

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>15. LEASE LIABILITY</b>		
Balance as at January 1	57,408	65,178
Unwinding of finance cost	8,342	9,804
Lease rentals paid	(19,331)	(17,574)
Balance as at December 31	46,419	57,408
Current portion	14,943	10,990
Non-current portion	31,476	46,418
	46,419	57,408

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

15.1 Lease liabilities payable are as follows:

	2024			2023
	Minimum lease payments	Interest	Present value of minimum lease payments	Present value of minimum lease payments
	(Rupees in thousand)			
Less than one year	21,265	(6,322)	14,943	10,990
Between one and five years	35,644	(4,168)	31,476	46,418
	56,909	(10,490)	46,419	57,408

15.2 Finance charge at rate of 17.06% (2023: 17.06%) per annum has been used for discounting factor.

	Note	2024 (Rupees in thousand)	2023
<b>16. TRADE AND OTHER PAYABLES</b>			
Creditors	16.1	815,987	142,605
Bills payable to foreign supplier		25,612	141,424
Freight payable to Al Futtaim Logistics - associated company		164,697	165,936
Accrued liabilities	16.2	3,027,528	2,366,673
Deposits	16.3	81,874	77,180
Taxes deducted at source		60,903	48,519
Workers' Welfare Fund	16.4	119,927	106,231
Workers' Profit Participation Fund	16.5	15,790	11,864
Royalty payable to CNH Industrial N.V. - associated company		833,503	609,811
Provision for warranty services	16.6	46,842	25,722
Accrued markup	16.7	161,838	8,291
Others		29,164	108,314
		5,383,665	3,812,570

16.1 These include amount payable to a related party, CNH Industrial N.V., amounting to Rs. 1.55 million (2023: Rs. 1.55 million) against purchases made in 2021.

16.2 These include liabilities amounting to Rs. 532.44 million (2023: Rs. 1,232.99 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.

	2024 (Rupees in thousand)	2023
<b>16.4 Workers' Welfare Fund</b>		
Balance as at January 1	106,231	84,579
Allocation for the year	116,260	104,283
	222,491	188,862
Less: Amount paid during the year	(102,564)	(82,631)
Balance as at December 31	119,927	106,231

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024 (Rupees in thousand)	2023
<b>16.5 Workers' Profit Participation Fund</b>		
Balance as at January 1	11,864	-
Allocation for the year	306,636	252,178
Interest	1,782	-
	320,282	252,178
Less: Amount paid during the year	(304,492)	(240,314)
Balance as at December 31	15,790	11,864
<b>16.6 Provision for warranty services</b>		
Balance as at January 1	25,722	27,091
Expense recognised during the year	30,310	27,307
Claims against provision	(9,190)	(28,676)
Balance as at December 31	46,842	25,722
<b>16.7 Accrued markup</b>		
- Conventional	36,818	-
- Islamic	125,020	8,291
	161,838	8,291

### 17. CUSTOMERS' 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 3.18 is satisfied.

During the year, the Company recognised revenue amounting to Rs. 115.74 million (2023: Rs. 126.20 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	2024 (Rupees in thousand)	2023
<b>19. SHORT-TERM FINANCING - under mark up / profit arrangement</b>			
Islamic Finances	19.1 & 19.3	2,429,291	1,648,653
Conventional Finances	19.2 & 19.3	-	-
		2,429,291	1,648,653

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

**19.1** The facility for running musharkah available from banks amounted to Rs. 3,500 million (2023: Rs. 3,500 million) out of which the amount unavailed at the year end was Rs. 1,070.71 million (2023: Rs. 1,851.35 million). Rates of profit ranges from one month KIBOR plus 0.4% (2023: one month KIBOR plus 0.4%) to three months KIBOR plus 0.25% (2023: three months KIBOR plus 0.25%) per annum.

**19.2** The facility for running finance available from banks amounted to Rs. 2,000 million (2023: Rs. 2,000 million) out of which the amount unavailed at the year end was Rs. 2,000 million (2023: Rs. 2,000 million). Rates of mark-up ranges from one month KIBOR plus 0.25% (2023: one month KIBOR plus 0.25%) to three months KIBOR plus 1% (2023: three months KIBOR plus 1%) per annum. Running finance facility payable on demand amounted to Nil (2023: Nil).

**19.3** The above arrangements are secured by way of hypothecation of selected plant and machinery and pari-passu charge against hypothecation of Company's present and future current assets amounting to Rs. 9,336 million (2023: Rs. 9,336 million).

### 20. COMMITMENTS

**20.1** Commitments for capital expenditure outstanding as at December 31, 2024, amounted to Rs. 521.23 million (2023: Rs. 460.91 million).

**20.2** The facilities for opening letters of credit and guarantees as at December 31, 2024, amounted to Rs. 5,550 million (2023: Rs. 4,350 million) out of which unutilised balance at year end amounted to Rs. 4,527.51 million (2023: Rs. 935.82 million).

### 21. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024			2023		
	Tractors	Trading goods and others	Total	Tractors	Trading goods and others	Total
	Rupees in thousand					
Local sales	37,174,912	291,012	37,465,924	34,827,124	356,830	35,183,954
Export sales	328,351	-	328,351	119,134	-	119,134
	37,503,263	291,012	37,794,275	34,946,258	356,830	35,303,088
Less:						
- Discounts, Commissions and incentives	(1,016,337)	(7,819)	(1,024,156)	(676,833)	(6,549)	(683,382)
- Sales tax	(2,149,143)	(46,546)	(2,195,689)	-	(76,161)	(76,161)
	(3,165,480)	(54,365)	(3,219,845)	(676,833)	(82,710)	(759,543)
	34,337,783	236,647	34,574,430	34,269,425	274,120	34,543,545

**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, 2024

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>22. COST OF SALES</b>			
Manufactured goods			
Raw materials and components consumed	22.1	23,876,196	24,759,178
Salaries, wages and benefits		790,309	654,555
Charge for defined benefit plan		13,246	14,092
Charge for defined contribution plan		15,779	11,442
Stores and supplies		356,086	313,050
Royalty and technical fee		294,811	296,557
Insurance		3,908	3,062
Depreciation		90,324	75,193
Fuel, power and electricity		141,304	154,838
Inwards freight and transportation		16,844	13,454
Repairs and maintenance		143,230	174,072
Travelling, vehicle running and entertainment		46,309	24,878
Rent, rates and taxes		1,343	1,734
Communication		764	1,197
Printing and stationery		6,765	4,878
Others		939	19,126
Opening stock of work-in-process		122,732	88,231
Closing stock of work-in-process		(341,981)	(122,732)
Cost of goods manufactured		25,578,908	26,486,805
Opening stock of finished goods		945,811	2,395,491
Closing stock of finished goods		(535,254)	(945,811)
		25,989,465	27,936,485
Trading goods			
Opening stock		28,650	18,284
Purchases		182,563	194,358
		211,213	212,642
Closing stock		(60,934)	(28,650)
		150,279	183,992
		26,139,744	28,120,477

**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. Regular hearings are being held and 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, 2024

Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>23. DISTRIBUTION EXPENSES</b>		
Salaries, wages and benefits	179,005	148,049
Charge for defined benefit plan	7,377	5,420
Charge for defined contribution plan	7,166	5,118
Insurance	4,219	2,891
Provision against doubtful receivables	126,250	-
Depreciation	29,376	20,139
Electricity	7,279	5,314
Travelling, vehicle running and entertainment	50,564	36,341
Repairs and maintenance	5,193	3,741
Rent, rates and taxes	3,203	8,416
Communication	5,053	6,601
Advertisement and promotion	23.1	182,162
After sales expense	87,300	44,232
Warranty expense	30,310	27,307
Freight charges	70,032	17,888
Legal and professional charges	3,128	2,013
Printing and stationery	1,900	2,044
Others	5,273	5,190
	804,790	428,974

23.1 This includes expenditure amounting to Rs. 117.93 million incurred on account of advertisement and promotion of newly launched 85 HP tractor (NH-850).

Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>24. ADMINISTRATIVE EXPENSES</b>		
Salaries, wages and benefits	410,027	404,498
Charge for defined benefit plan	11,998	20,021
Charge for defined contribution plan	15,594	13,184
Insurance	6,806	6,732
Depreciation	138,431	91,973
Amortisation	129,399	489
Electricity	19,804	17,602
Travelling, vehicle running and entertainment	69,217	101,761
Repairs and maintenance	17,796	2,706
Rent, rates and taxes	8,495	10,822
Fees and subscription	24.1 & 24.2	508,319
Communication	8,856	33,028
Auditors' remuneration	24.3	8,588
Advertising	1,291	471
Transformation charges	24.4	50,113
Legal and professional charges	46,062	43,362
Printing and stationery	12,531	7,374
Others	3,194	11,792
	1,466,521	1,080,879

24.1 This includes fee paid to directors amounting Rs. 7.91 million (2023: Rs. 8.59 million).

24.2 This includes subscription paid in respect of cloud and related services amounting to Rs. 300.08 million (2023: Rs. 197.43 million).

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>24.3 Auditors' remuneration</b>		
Audit fee	3,163	2,750
Fee for limited review of half yearly financial statements	575	500
Certification for compliance with Code of Corporate Governance, certifications for government and other agencies and other services	2,150	4,700
Out of pocket expenses	2,700	825
	8,588	8,775

24.4 This represents transformation and consultancy charges in respect of quality and standards upgradation activity carried out during the year.

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>25. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Return on savings and deposit accounts	82,305	444,249
<b>Income from other assets</b>		
Scrap sales	76,296	43,173
Provision against doubtful receivables written down	-	17,635
Profit on disposal of property, plant and equipment	10,464	10,581
Recovery of other financial asset	-	44,000
Exchange gain	14,558	-
Liabilities no longer payable written back	130,639	-
Others	1,368	453
	233,325	115,842
	315,630	560,091

### 26. OTHER EXPENSES

Workers' Profit Participation Fund	306,636	252,178
Workers' Welfare Fund	116,260	104,283
(Reversal) / provision against slow moving and obsolete inventories	(99,366)	73,351
	323,530	429,812

### 27. FINANCE COSTS

Bank charges and commission	3,816	2,562
Mark up on Islamic financing	354,868	86,697
Mark up on running finance	77,967	27,324
Exchange loss	-	230,015
Finance charges on finance lease	8,342	9,804
Interest on Workers' Profit Participation Fund	1,782	-
	446,775	356,402

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	(Restated) 2023
<b>28. LEVY</b>			
Final tax u/s 154	28.1	2,226	1,191

**28.1** This represents final tax paid under section 154 of the Income Tax Ordinance, 2001 before June 30, 2024.

	2024 (Rupees in thousand)	(Restated) 2023
<b>29. INCOME TAX EXPENSE</b>		
Current		
- for the year	2,102,913	1,868,431
- prior year charge	10,365	233,849
Deferred	50,921	(28,151)
	2,164,199	2,074,129

### 29.1 Relationship between tax expense and accounting profit:

	2024 (Percentage)	2023	2024 (Rupees in thousand)	2023
Accounting profit before tax and levy			5,708,700	4,687,092
Tax at applicable rate	29.00%	29.00%	1,655,523	1,359,257
Effect of final tax on exports	(0.22)%	(0.11)%	(12,377)	(4,936)
Prior year charge	0.18 %	0.00 %	10,365	-
Tax effect on permanent differences	(1.04)%	0.21 %	(59,401)	9,834
Super tax				
- Current year	10.00%	10.25%	570,870	480,409
- Prior year	0.00%	4.99%	-	233,849
Others	0.03%	(0.07)%	1,445	(3,093)
	38%	44%	2,166,425	2,075,320
Effective rate (percentage)			38%	44%

	2024	2023
<b>30. EARNINGS PER SHARE - Basic and diluted</b>		
Profit after taxation attributable to ordinary shareholders (Rupees in thousand)	3,542,275	2,611,772
Weighted average number of shares in issue during the year (in thousand)	57,964	57,964
Basic and diluted earnings per share (Rupees)	61.11	45.06

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

**30.1** A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2024 and 2023 which would have any effect on the earnings per share if the option to convert was exercised.

	Note	2024 (Rupees in thousand)	2023
<b>31. CASH GENERATED FROM OPERATIONS</b>			
<b>Profit before taxation and levy</b>		5,708,700	4,687,092
Add / (less): Adjustment for non-cash charges and other items			
Depreciation and amortisation		387,530	187,794
Retirement benefits charge		32,621	39,533
Provision against doubtful receivables		126,250	-
Mark up on short-term financing		432,835	114,021
Interest on lease liability		8,342	9,804
Recovery of other financial asset		-	(44,000)
Gain on disposal of Property, plant and equipment		(10,464)	(10,581)
Return on bank deposits		(82,305)	(444,249)
Provision against slow moving and obsolete inventories		(99,366)	73,351
Interest on Workers' Profit Participation Fund		1,782	-
Liabilities no longer payable written back		(130,639)	-
		6,375,286	4,612,765
Effect on cash flow due to working capital changes (Increase) / decrease in current assets			
Inventories		419,532	(894,276)
Trade receivables		(5,178,301)	161,820
Loans and advances		(888,973)	(4,610)
Trade deposits and short-term prepayments		217,392	48,055
Other receivables		(49,126)	4,632
Refunds due from the Government		(862,024)	(7,058)
		(6,341,500)	(691,437)
Increase in current liabilities			
Trade and other payables		1,546,405	1,273,655
Customers' advances		359,280	20,295
		(4,435,815)	602,513
Cash generated from operations		1,939,471	5,215,278
<b>32. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	13	976,090	1,723,449
Short term financing	19.2	-	-
		976,090	1,723,449
<b>33. EMPLOYEE BENEFIT OBLIGATIONS / PREPAYMENTS</b>			
<b>33.1</b> As stated in note 3.10 (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, 2024.			

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

**33.2** 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.

### 33.3 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.

**33.4** The latest actuarial valuation of the Plan as at December 31, 2024 was carried out using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>33.5 Statement of financial position reconciliation as at December 31</b>			
Present value of defined benefit obligation	33.6	429,725	325,566
Fair value of plan assets	33.7	(370,962)	(357,605)
		58,763	(32,039)
<b>33.6 Movement in present value of defined benefit obligation</b>			
Obligation as at January 1		325,566	302,263
Current service cost		47,113	43,696
Interest expense		41,865	39,486
Remeasurement on obligation		93,336	(48,980)
Benefits paid		(78,155)	(10,899)
Obligation as at December 31		429,725	325,566

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024 (Rupees in thousand)	2023 (Rupees in thousand)		
<b>33.7 Movement in the fair value of plan assets</b>				
Fair value as at January 1	357,605	275,493		
Interest income	56,357	43,649		
Remeasurement on plan assets	(32,251)	(12,612)		
Employer contributions	67,406	61,974		
Benefits paid	(78,155)	(10,899)		
Fair value as at December 31	370,962	357,605		
<b>33.8 Expense recognised in statement of profit or loss</b>				
Current service cost	47,113	43,696		
Interest income - net	(14,492)	(4,163)		
	32,621	39,533		
<b>33.9 Remeasurement recognised in other comprehensive income</b>				
Remeasurement of obligation	(93,336)	48,980		
Remeasurement of fair value of plan assets	(32,251)	(12,612)		
Remeasurements (loss) / gain	(125,587)	36,368		
<b>33.10 Net recognised liability / (asset)</b>				
Balance as at January 1	(32,039)	26,770		
Expense for the year	32,621	39,533		
Employer contributions	(67,406)	(61,974)		
Remeasurement recognised in other comprehensive income	125,587	(36,368)		
Balance as at December 31	58,763	(32,039)		
<b>33.11 Composition of plan assets:</b>				
	2024		2023	
	Rupees in thousand	%	Rupees in thousand	%
	(Rupees in thousand)			
Cash at bank	239,291	64.51	258,088	72.17
Mutual Funds	131,671	35.49	99,517	27.83
	370,962	100.00	357,605	100.00

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2024	2023
<b>33.12 Actuarial assumptions</b>		
Expected rate of increase in salaries		
- Management staff		
- Short-term - 1 year	17.00%	10.00%
- Long-term - more than 1 year	14.00%	16.00%
- Non-management staff		
- Short-term - 1 year	17.00%	10.00%
- Long-term - more than 1 year	14.00%	16.00%
Discount factor used	12.00%	16.00%

**33.13** Pre-Retirement mortality was assumed to be SLIC (2001-05) for males and females, as the case may be, but rated down one year.

**33.14** The Company ensures asset / liability matching by investing in short-term deposits and does not use derivatives to manage its risk.

**33.15** The expected return on plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy.

### 33.16 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%	(19,588)	21,878
Future salary increases	1%	19,770	(18,045)

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, 2024

### 33.17 Historical information

	2024	2023	2021	2020	2019
Rupees in thousand					
As at December 31					
Present value of defined benefit obligation	429,725	325,566	302,263	247,409	207,226
Fair value of plan assets	(370,962)	(357,605)	(275,493)	(255,890)	(243,423)
Deficit / (surplus)	58,763	(32,039)	26,770	(8,481)	(36,197)
Experience adjustments					
(Loss) / gain on obligation	(93,336)	48,980	(30,226)	(21,596)	39,065
Loss on plan assets	(32,251)	(12,612)	(9,145)	(11,267)	(4,317)
	(125,587)	36,368	(39,371)	(32,863)	34,748

**33.18** 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.

**33.19** 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. 47.65 million towards gratuity fund in 2025 (2023: Rs. 30.08 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.

**33.20** The weighted average duration of employees is 4.87 years (2023: 6.10 years).

**33.21** Expected maturity analysis of undiscounted retirement benefit plan is as follows:

Retirement benefit plan	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 5 - 10 years	Over 10 years	Total
Rupees in thousand						
<b>At December 31, 2024</b>	112,089	76,383	156,867	197,322	514,621	1,057,282
At December 31, 2023	158,133	42,452	109,765	122,577	1,642,838	2,075,765

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 34. RELATED PARTY TRANSACTIONS

34.1 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	2024	2023
		(Rupees in thousand)	
<b>i. Associate company</b>			
CNH Industrial N.V.	Royalty paid	71,120	-
	Royalty charge	257,184	257,033
<b>ii. Other related parties</b>			
Al-Ghazi Tractors Limited Staff Provident Fund	Contribution paid	76,918	88,514
Al-Ghazi Tractors Limited Employees' Gratuity Fund	Contribution paid	67,406	61,974
Key management personnel *	Salaries and other employee benefits Retirement benefits	281,012 30,903	210,680 17,171

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

The outstanding balances of related parties as at December 31, 2024 are included in trade and other payables. These are settled in the ordinary course of business.

34.2 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.	Associate	43.17%

34.2.1 Al-Futtaim Industries Company LLC is a Company incorporated in Dubai.

34.2.2 CNH Industrial N.V. is a Company incorporated in the Netherlands. The registered office of the Company is situated at World T.C., Amsterdam Airport, Schiphol Boulevard 217, 1118 Bh, Schiphol Airport, Netherlands.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 35. 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		Director		Executives	
	2024	2023	2024	2023	2024	2023
Rupees in thousand						
Managerial remuneration	1,815	1,381	-	-	430,800	261,900
Bonus	-	-	-	-	17,507	8,080
House rent	-	1,061	-	-	145,943	77,202
Utilities	-	-	-	-	32,726	17,156
Retirement benefits	-	253	-	-	76,878	31,447
Leave passage	-	690	-	-	44,382	38,435
	1,815	3,385	-	-	748,236	434,220
Number of persons	1	1	-	-	87	49

- 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 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. 7.91 million (2023: Rs. 8.59 million).
- During the year, Ms. Samiha Zahid, had been appointed as Independent Director of the Company with effect from September 05, 2024, in place of Ms. Farah Qureshi to fill the casual vacancy for the remainder term of the Board.

### 36. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

#### 36.1 Financial risk management

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, 2024

### 36.2 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							
<b>AT DECEMBER 31, 2024</b>							
<b>FINANCIAL ASSETS</b>							
<b>At amortised cost</b>							
Loans and advances	-	-	-	42,877	2,355	45,232	45,232
Deposits	-	-	-	1,681	13,864	15,545	15,545
Interest accrued	-	-	-	344	-	344	344
Trade receivables	-	-	-	5,052,051	-	5,052,051	5,052,051
Other receivables	-	-	-	49,327	-	49,327	49,327
Cash and bank balances	554,994	-	554,994	421,096	-	421,096	976,090
	554,994	-	554,994	5,567,376	16,219	5,583,595	6,138,589
<b>FINANCIAL LIABILITIES</b>							
<b>At amortised cost</b>							
Trade and other payables	-	-	-	5,140,203	-	5,140,203	5,140,203
Unclaimed dividend	-	-	-	60,918	-	60,918	60,918
Short-term borrowings	2,429,291	-	2,429,291	-	-	-	2,429,291
Lease liability	14,943	31,476	46,419	-	-	-	46,419
Unpaid dividend	-	-	-	2,416,858	-	2,416,858	2,416,858
	2,444,234	31,476	2,475,710	7,617,979	-	7,617,979	10,093,689
<b>AT DECEMBER 31, 2023</b>							
<b>FINANCIAL ASSETS</b>							
<b>At amortised cost</b>							
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
<b>FINANCIAL LIABILITIES</b>							
<b>At amortised cost</b>							
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
<b>Off balance sheet items</b>							
Financial commitments:							
Contracts for capital expenditure							521,228
Letters of credit and guarantee							1,023,492
<b>2024</b>							<b>1,544,720</b>
2023							3,875,096

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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. 6,138.59 million (2023: Rs. 1,780.08 million) the financial assets exposed to the credit risk amount to Rs. 5,953.24 million (2023: Rs. 946.41 million) which mainly comprise of trade receivables and 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. During the year, the Company sold tractors under Green Tractor Program in which the Government subsidised the customers by paying Rs. 1 million on each tractors sold under the program. As of December 31, 2024, out of the total trade receivables of Rs. 5,190.08 million the trade receivables exposed to the credit risk amounting to Rs. 1,771.08 million relates to independent customers and Rs. 3,419 million relates to receivables from the Government of Punjab.

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, 2024

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2024				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
Rupees in thousand					
<b>Financial liabilities</b>					
Trade and other payables	5,140,203	(5,140,203)	(5,140,203)	-	-
Unclaimed dividend	60,918	(60,918)	(60,918)	-	-
Unpaid dividend	2,416,858	(2,416,858)	(2,416,858)	-	-
Lease liability	46,419	(56,909)	(10,126)	(11,139)	(35,644)
Short-term financing	2,429,291	(2,429,291)	(2,429,291)	-	-
	10,093,689	(10,104,179)	(10,057,396)	(11,139)	(35,644)
2023					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
Rupees in thousand					
<b>Financial liabilities</b>					
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)

### (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, 2024 trade and other payables exposed to foreign currency risk amount to Rs. 1,153.49 million (2023: Rs. 2,018.09 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. 46.14 million (2023: Rs. 80.72 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, 2024

#### 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, 2024, the Company's interest bearing financial assets amounted to Rs. 554.99 million (2023: Rs. 544.39 million) and liabilities of Rs. 2,429.29 million (2023: Rs. 1,648.65 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. 18.74 million (2023: Rs. 11.04 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, 2024 as the Company does not hold any financial assets subject to price risk.

#### d) Reconciliation of movements of liabilities to cash flows arising from financing activities

	2024				
	Short-term borrowing including accrued mark-up thereon	Lease liability	Unclaimed dividend	Unpaid dividend	Total
Rupees in thousand					
<b>Balance as at January 1</b>	1,656,944	57,408	65,498	2,416,858	4,196,708
<i>Changes from financing cash flows:</i>					
Changes in short-term borrowings	780,638	-	-	-	780,638
Dividend paid	-	-	(4,580)	-	(4,580)
Lease rentals paid	-	(19,331)	-	-	(19,331)
Transaction cost paid	-	-	-	-	-
Total changes in financing activities	780,638	(19,331)	(4,580)	-	756,727
<i>Other changes:</i>					
Finance cost	432,835	8,342	-	-	441,177
Finance cost paid	(279,288)	-	-	-	(279,288)
Total other changes	153,547	8,342	-	-	161,889
<b>Balance as at December 31</b>	2,591,129	46,419	60,918	2,416,858	5,115,324

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

	2023				
	Short-term borrowing including accrued mark-up thereon	Lease liability	Unclaimed dividend	Unpaid dividend	Total
Rupees in thousand					
<b>Balance as at January 1</b>	3,830,666	65,178	75,351	2,416,858	6,388,053
<i>Changes from financing cash flows:</i>					
Changes in short-term borrowings	(2,060,719)	-	-	-	(2,060,719)
Dividend paid	-	-	(9,853)	-	(9,853)
Lease rentals paid	-	(17,574)	-	-	(17,574)
<b>Total changes in financing activities</b>	<b>(2,060,719)</b>	<b>(17,574)</b>	<b>(9,853)</b>	<b>-</b>	<b>(2,088,146)</b>
<i>Other changes:</i>					
Finance cost	114,021	9,804	-	-	123,825
Finance cost paid	(227,024)	-	-	-	(227,024)
<b>Total other changes</b>	<b>(113,003)</b>	<b>9,804</b>	<b>-</b>	<b>-</b>	<b>(103,199)</b>
<b>Balance as at December 31</b>	<b>1,656,944</b>	<b>57,408</b>	<b>65,498</b>	<b>2,416,858</b>	<b>4,196,708</b>

#### (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, 2024, 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).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

There were no financial instruments classifiable under level 1, 2 or 3 of the fair value hierarchy during the year.

#### 37. 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.

#### 38. PROVIDENT AND OTHER CONTRIBUTORY FUNDS RELATED DISCLOSURES

All investments out of provident fund and contributory retirement fund (Gratuity) 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.

#### 39. DISCLOSURES RELATING TO SHARIAH COMPLIANCE

Note	2024	2023	
	(Rupees in thousand)		
<b>Disclosures in relation to the statement of financial position - Liability</b>			
i) Short-term financing obtained as per islamic mode	19	2,429,291	1,648,653
ii) Mark-up accrued on conventional loan or advance	16.7	36,818	-
iii) Mark-up accrued on islamic loan or advance	16.7	125,020	8,291
<b>Disclosures in relation to the statement of financial position - Assets</b>			
i) Shariah-compliant bank balances	13	68,245	157,461
ii) Interest accrued - islamic		80	1,350
<b>Disclosures required in relation to the statement of profit of loss and other comprehensive income</b>			
i) Revenue earned from a Shariah compliant business segment	21	34,574,430	34,543,545
ii) Profit earned from Shariah compliant bank balances	25	4,045	33,799
iii) Exchange gain / (loss) earned from actual currency	25 & 27	14,558	(230,015)
iv) Profit paid on Islamic mode of financing		238,139	186,585
<b>Break-up of other income excluding profits in bank deposits and TDRs</b>			
<b>Shariah compliant income:</b>			
- Profit on disposal of property, plant and equipment	25	10,464	10,581
- Scrap sales	25	76,296	43,173
- Liabilities no longer payable written back	25	130,639	-
- Others	25	1,368	453
<b>Shariah non-compliant income:</b>			
- Return on savings and deposit accounts	25	78,260	410,450

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 39.1 Relationship with shariah compliant financial institutions

### Islamic Banks

The Company has facilities with Meezan Bank Limited for letter of credit and running musharakah amounting to Rs. 1,000 million and Rs. 2,000 million respectively.

The Company has facilities with Faysal Bank Limited for running musharakah, letter of credit and letter of guarantee amounting to Rs 1,500 million, Rs. 1,000 million and Rs. 150 million respectively.

### Takaful operators

The company has no relationship with takaful operators.

	2024	2023
<b>40. PLANT CAPACITY AND PRODUCTION</b>		
Plant capacity (single shift) - units	30,000	30,000
Actual production - units	14,069	14,317

Actual production of tractors varies in line with the market demand.

	2024	2023
<b>41. NUMBER OF EMPLOYEES</b>		
<b>41.1</b> Number of employees including contractual employees at 31 December	413	410
<b>41.2</b> Average number of employees including contractual employees during the year	418	407

## 42. 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.

## 43. SUBSEQUENT EVENTS

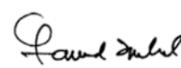
The Board of Directors in their meeting held on 20 March 2025 have proposed a final cash dividend of Rs. Nil per share amounting to Rs. Nil (2023: Nil per share amounting to Nil) subject to approval of the Company in the forthcoming annual general meeting.

## 44. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 20 March 2025 by the Board of Directors. The directors have the power to amend and reissue the financial statements.

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

# Investor Feedback Form

To request information or submit a comment / query to the Company, please complete the following and return this page to-

Company Secretary  
Tractor House, 102-B,  
16th East Street, DHA Phase I,  
Off. Korangi Road, Karachi.

Comment / Query : \_\_\_\_\_

Name : \_\_\_\_\_

Permanent Mailing Address : \_\_\_\_\_

For the year ended December 31, 2024 \_\_\_\_\_

Contact Numbers (Tel) : \_\_\_\_\_

(Fax) : \_\_\_\_\_

Email : \_\_\_\_\_

Name of Company (If Applicable) : \_\_\_\_\_

Designation (If Applicable) : \_\_\_\_\_

Company Address : \_\_\_\_\_

(If Applicable) \_\_\_\_\_



**FAMCO SHARES REGISTRATION SERVICES (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 **42<sup>nd</sup> Annual General Meeting of Al-Ghazi Tractors Limited** to be held on **Thursday,  
 April 24, 2025 at 3:00 PM at Pearl Continental Hotel, Karachi** as well as through video-link arrangement.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ , 2025 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.



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 نمبر (ز) الغازی ٹریکٹر لمیٹڈ اور حق ملکیت رکھتے ہوئے عمومی شیئرز \_\_\_\_\_ برطابق رجسٹرڈ فوٹیو \_\_\_\_\_ یہاں \_\_\_\_\_

ساکن \_\_\_\_\_ کو اپنی جانب سے منتخب کرتا ہوں، یا ان کے ناجانے پر \_\_\_\_\_

ساکن \_\_\_\_\_ کو الغازی ٹریکٹرز لمیٹڈ کے 42 ویں سالانہ اجلاس عام میں میری / ہماری جگہ اور میری / ہماری طرف سے دوپہر 3:00 بجے جمعرات، 24 اپریل 2025 کو پرل کانٹی نینٹل ہوٹل، کراچی کے ساتھ ساتھ بذریعہ ویڈیو لنک انتظام سے ووٹ دینے کیلئے نمائندہ مقرر کرتا ہوں۔

بروز \_\_\_\_\_ کے دن \_\_\_\_\_ 2025 کو ان کو ابان کی موجودگی میں دستخط کیے گئے:

مناسب ہایت کے ریویو  
اسٹیپ پر نمبر (ز) کے  
دستخط

1- دستخط: \_\_\_\_\_ 2- دستخط: \_\_\_\_\_

نام: \_\_\_\_\_ نام: \_\_\_\_\_

پتہ: \_\_\_\_\_ پتہ: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

قومی کمپیوٹر انڈسٹری کارڈ یا پاسپورٹ نمبر: \_\_\_\_\_ قومی کمپیوٹر انڈسٹری 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 انارنی 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

کمپنی سیکریٹری  
الغازی ٹریکٹرز لمیٹڈ،  
ٹریکٹر ہاؤس، B\_102،  
16 ایسٹ اسٹریٹ، ڈی ایچ اے فیئر 1،  
کورنگی روڈ، کراچی۔

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[www.alhazitractors.com](http://www.alhazitractors.com)



## Tractor House

Plot No.102-B, 16th East Street,  
DHA Phase-1, Off. Korangi Road,  
Karachi, Pakistan