Annual Report
2025

Sustaining Progress, Strengthening Our Legacy

Al-Ghazi Tractors Limited

About the Cover

In a year defined by challenge and change, Pakistan's most prolific tractor manufacturer moved forward with purpose. Al-Ghazi Tractors Limited stands at the heart of the nation's agricultural strength, powering fields, empowering farmers, and engineering solutions that drive rural prosperity.

With a legacy built on resilience and innovation, we continued to deliver performance, reliability, and value to thousands across the country. Every machine reflects precision engineering. Every milestone reflects trust earned over decades. Every partnership reflects our belief in Pakistan's potential.

From advanced manufacturing practices to an unwavering focus on customer satisfaction, 2025 was a year of disciplined growth and operational excellence. We strengthened our foundations, expanded our reach, and reinforced our commitment to sustainable progress.

As Pakistan cultivates its future, we remain proud to power its backbone of agriculture.

Because progress is not accidental. It is designed, built, and driven.

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.

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BOARD OF DIRECTORS

Mr. Robert McAllister
Chairman, Non-Executive Director

Mr. Dmitrii Bogatyrev
Non-Executive Director

Mr. Paul Wagstaff
Non-Executive Director

Mr. Umberto Bucci
Non-Executive Director

Mr. Matthieu Sejourne
Non-Executive Director

Mr. Vincent De Lassagne
Non-Executive Director

Mr. Shahid Toor
Independent Director

Mr. Mirza Malik
Independent Director

Ms. Samiha Zahid
Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Yasin Seker

CHIEF FINANCIAL OFFICER

Mr. Javed Iqbal

COMPANY SECRETARY

Mr. Mansoor Khan

HEAD OF INTERNAL AUDIT

Mr. Muneeb Ahmed Khan

AUDITORS

A.F. Ferguson & Co.
Chartered Accountants

AUDIT COMMITTEE

Mr. Malik Mirza
Committee Chairman

Mr. Umberto Bucci
Member

Mr. Paul Wagstaff
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Samiha Zahid
Committee Chairperson

Mr. Umberto Bucci
Member

Mr. Paul Wagstaff
Member

Mr. Yasin Seker
Member

Note: This information is updated as of March 17, 2026

TECHNICAL EXECUTIVE COMMITTEE

Mr. Shahid Toor
Committee Chairman

Mr. Robert McAllister
Member

Mr. Matthieu Sejourne
Member

Mr. Vincent De Lassagne
Member

Mr. Paul Wagstaff
Member

Mr. Dmitrii Bogatyrev
Member

Mr. Marco Gerbi
Member

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.
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Email: AGTL.shareholders@alghazitractors.com
www.alghazitractors.com

CORPORATE OFFICE

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Gulberg–III, Lahore

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P.O. Box 38,
Dera Ghazi Khan.
Tel: (92 64) 2463750, 2463812, 2020750-51

Marketing Centres
Dera Ghazi Khan
Lahore
Multan
Islamabad
Sukkur
Karachi

Note: This information is updated as of March 17, 2026

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.

Our mission statement emphasizes that 'our most enduring competitive edge is the quality of our tractors.' Engineered for robustness and reliability, the Company's 55, 65, 75, and 85 HP tractors feature a local content level of 92%, the highest in the country.

Continuous monitoring of the efficiency and effectiveness of each production process underpins the Company's operational performance. Focused efforts to optimize processes enable cost efficiencies

> The Company's 55, 65, 75, and 85 HP tractors feature a local content level of 92%, the highest in the country.

at every stage of manufacturing, resulting in lower cost per tractor. Effective utilization of materials and plant capacity has allowed the Company to achieve its core objective of being a low-cost producer of quality products. As a result, AGTL's tractors across all horsepower segments remain among the most affordable in the world.

With comprehensive documentation of the manufacturing process and enhanced quality measurement as a priority, Al-Ghazi became the first automobile company in Pakistan to achieve ISO 9000 certification. Through regular audits, the Company is currently certified under ISO 9001:2015.

Recognized as a household name among the farming community, AGTL's product portfolio is designed to reflect customer needs, with a strong emphasis on price competitiveness and convenience. The Company's strategy focuses on serving all target markets and customer segments through an extensive nationwide dealer network, supported by over 3,000 mechanical workshops operating as customer care centers across Pakistan. 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.

AGTL believes that strong individual performance, supported by effective teamwork, is central to sustainable business success. The Company invests in its people and fosters a collaborative culture that strengthens organizational capability over time. AGTL values its stakeholders, including customers, employees, investors, dealers, and supply chain partners, and management remains committed to inclusive and sustainable growth.

Al-Ghazi Tractors Limited operates as Al-Futtaim's flagship entity in Pakistan, with over 93% foreign shareholding, and maintains corporate governance practices in line with applicable regulatory and governance requirements.

Over the years, AGTL has received a range of industry and professional recognitions, including the Top Companies Award from the Karachi Stock Exchange, the Corporate Excellence Award from the Management Association of Pakistan, the Best Presented Annual Report Award from ICAP, the Best Calendar Award from the NCCA, and Excellence Awards in Human Resources and Industrial Relations and Productivity from the Employers' Federation of Pakistan.

AGTL's Vision Statement is clear: 'To make AGTL a symbol of success.' This vision defines the Company's long-term direction and guides strategic decision-making across the organization.

> The Company's strategy focuses on serving all target markets and customer segments through an extensive nationwide dealer network, supported by over 3,000 mechanical workshops operating as customer care centers across Pakistan.

Our Core Values

At Al-Ghazi Tractors Limited, our guiding principles articulate the values and standards that define our organizational culture. They inform decision-making, shape behavior in everyday business interactions, and establish the framework for our engagement with employees, customers, partners, and the broader community.

Al-Ghazi Tractors Limited

Respect

We uphold the highest respect for every individual we engage with and for the environment in which we operate. We recognize that meaningful ideas can emerge from anywhere, and we remain open to listening, learning, and evolving our perspectives. We take accountability for our mistakes and are committed to learning and growing from them.

Excellence

We are driven to achieve extraordinary results by consistently delighting our customers. We aspire to the highest global standards of service excellence. While we celebrate our successes, we remain relentless in our pursuit of continuous improvement.

Integrity

We choose what is right, even when it is not easy, and ensure consistency between our words and actions. We uphold honesty and fairness in everything we do. We think long term and focus on building enduring, trust based relationships.

Collaboration

We actively cultivate trusted partnerships across all our stakeholders, including customers, principals, partners, communities, and colleagues. We harness the strengths of both individuals and teams, united by a shared drive to succeed together. We collaborate openly and hold ourselves and one another accountable for delivering results.

Code of Conduct

As part of the Al-Futtaim Group, we operate under a comprehensive Code of Conduct and Ethics that guides how we conduct business, engage with stakeholders, and uphold the highest standards of integrity.

Acting with Integrity

- We believe in conducting all activities with honesty, transparency, and accountability. Acting with integrity strengthens our reputation and ensures that we comply with applicable laws and ethical standards in every market where we operate.

Responsible Business Practices

- We maintain disciplined business practices that emphasize accurate financial reporting, responsible use of company assets, and the protection of confidential information.

Fair & Respectful Workplace

- We are committed to a workplace built on fairness, respect, and equal opportunity. Discrimination, harassment, and unethical conduct are not tolerated.

Managing Conflicts of Interest

- We require employees to avoid situations where personal interests may conflict with the interests of the company, ensuring that decisions are made objectively and in the best interests of the organization.

Zero Tolerance for Corruption

- We follow a strict zero tolerance approach to bribery, corruption, and improper payments, and expect the same ethical standards in our dealings with partners, suppliers, and government authorities.

Speaking Up and Accountability

- We encourage employees to raise concerns and report potential violations through appropriate channels, reinforcing a culture of transparency and accountability.

8 Our Eight Step Business Cycle

Principal Business Activities

Al-Ghazi Tractors Limited (AGTL) is primarily engaged in the manufacture, marketing, and sale of New Holland (Fiat) tractors in technical collaboration with CNHI – Case New Holland, the world's leading manufacturer of agricultural tractors. With decades of experience, AGTL has established itself as a pioneer in Pakistan's agricultural machinery industry, offering technologically advanced, reliable, and high-performance tractors to meet the diverse needs of farmers.

AGTL manufacturing facility is a state-of-the-art plant, reflecting engineering excellence, operational efficiency, and modern production techniques. The plant integrates Quality Control and Quality Assurance systems at every stage of manufacturing to ensure superior product reliability, performance, and durability. Continuous improvement practices and stringent monitoring ensure that every tractor leaving the facility meets both international and local standards.

Our Products and Services

AGTL offers a wide range of New Holland tractors, catering to small, medium, and large-scale agricultural operations. The portfolio includes:

- Compact and utility tractors for small farmers and horticulture applications
- Medium- and high-horsepower tractors for larger farms and commercial agricultural operations

Each product is designed to deliver maximum efficiency, fuel economy, and ease of use, reflecting the innovation and quality standards of CNHI collaboration.

Achievements & Awards

Best Corporate Report Award – 2024

Building on its earlier recognition, Al-Ghazi Tractors Limited participated in the Best Corporate Report Awards 2024 and secured an award in the Engineering & Auto Sector, in recognition of the Company's Annual Report 2024.

The award was conferred by the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP), acknowledging AGTL's continued improvement in transparency, high-quality financial reporting, and adherence to corporate governance best practices.

Best Corporate Report Award – 2022

Earlier, Al-Ghazi Tractors Limited was awarded a Certificate of Merit in the Best Corporate Report Awards 2022 under the Engineering & Auto Sector.

This recognition, also presented by the Joint Committee of ICAP and ICMAP, marked an important milestone and laid the foundation for the Company's subsequent enhancements in corporate reporting and disclosure standards.

Complete Product Portfolio

Al-Ghazi Tractors Limited offers a comprehensive tractor portfolio ranging from 55 HP to 85 HP, designed to meet the diverse needs of Pakistan's agricultural sector. The lineup includes the 480 Special and 480 Power Plus, Ghazi 65 HP, 640 75 HP, and the 850 series in multiple variants, delivering durability, fuel efficiency, and high performance across farming applications. Built with advanced engineering and robust quality standards, our tractors combine reliability, power, and operator comfort to support productivity from small farms to large scale operations.

Product Range

Aftersales Services

AGTL provides comprehensive aftersales support to ensure that our customers receive reliable, ongoing assistance throughout the lifecycle of their tractors. Our aftersales framework includes:

- Timely supply of genuine spare parts through an extensive dealer network
- Maintenance and repair services at authorized service centers across the country
- Technical guidance and training for operators to maximize performance and lifespan of the tractors
- Dedicated customer support channels for prompt resolution of queries and issues

Commitment to Excellence

AGTL's focus extends beyond manufacturing and sales; the Company is committed to supporting Pakistan's agricultural community by improving farm productivity, operational efficiency, and sustainable practices. Through quality products, reliable aftersales services, and ongoing innovation, AGTL aims to maintain its position as a trusted and leading agricultural machinery provider in the country.

Product Range

Our Capitals

FINANCIAL CAPITAL

EQUITY
PKR 10.5
BILLION

ASSETS
PKR 18.9
BILLION

MANUFACTURED CAPITAL

STATE-OF-THE-ART
Tractor
ASSEMBLING FACILITY

30k
PER ANNUM
PRODUCTION CAPACITY

HUMAN CAPITAL

392 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
(CHNI)

INTELLECTUAL CAPITAL

Relations with customers
REGULATORS, COMMUNITIES & OTHER STAKEHOLDERS

Vast network of dealers,
DISTRIBUTORS & END-USERS

Value Creation for our Stakeholders

SHAREHOLDERS

DELIVERED STRONG AND HEALTHY RETURNS FOR
shareholders

RETURN ON EQUITY:
PKR 22

GOVERNING BODIES & REGULATORS

Compliance
WITH ALL THE REGULATORY REQUIREMENTS

CONTRIBUTED
PKR 4.8 BILLION TO NATIONAL EXCHEQUER

EMPLOYEES

Talent nourishment
AND GROWTH

Rewarding high performance
AND INVESTING IN ATTRACTING, DEVELOPING, AND RETAINING OUR PEOPLE

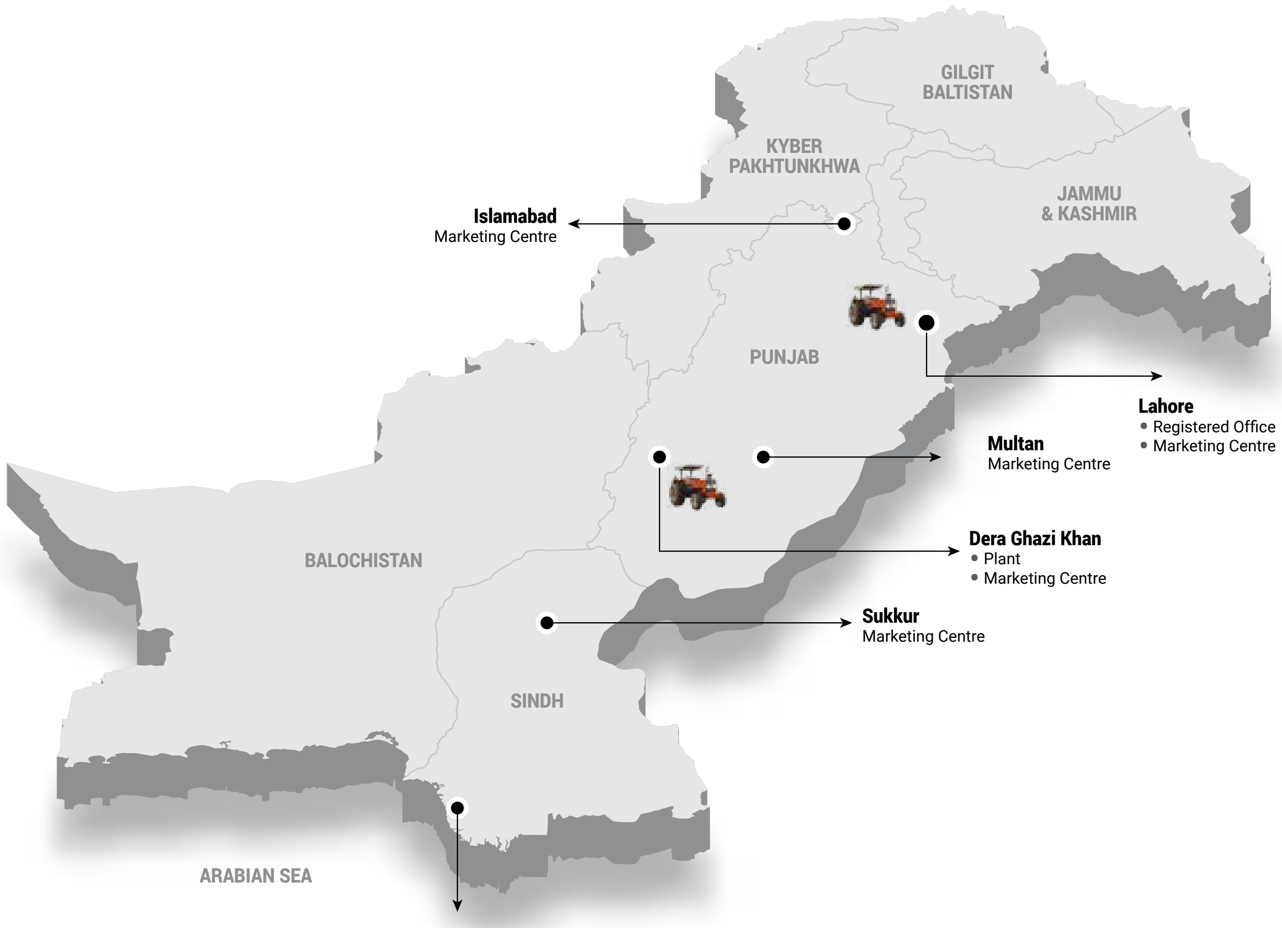
CUSTOMERS/ SUPPLIERS

Customer
SATISFACTION

Trust
OF VENDORS

Growing network
OF VENDORS, DEALERS & CUSTOMERS

Geographical Presence



Our Journey so far

1983
June Date of Incorporation
September Commencement of Operation

1984
February Auxiliary Plant, Start of Production at D.G. Khan Plant

1985
April Main Manufacturing Plant

1991
December Takeover by Al-Futtaim

1992
April New Engine Assembly Line

2006
April Sheet Metal Plant for stamping and agricultural

2011
March New Engine Testing facility

2013
April Assembly Line for Generators

2015
June New Head Office Tractor House, Karachi

2017
December Quality Assurance Lab, Plant

2022
September Kick off of Company Transformation

2023
June Inauguration of Corporate Office Lahore
December Migration to SAP S/4 HANA in progress at pace

2024
May Go-Live SAP S/4 HANA
October Launch of 85 HP Tractor NH 850

2025
December Establishment of R&D Lab

Ownership, Operating Structure and Relationship with Group Companies

Al-Ghazi Tractors Limited (AGTL) operates as a jointly held entity, combining strong local presence with international expertise. The Company's governance and operational framework ensures transparency, accountability, and alignment with global best practices, enabling efficient decision-making and sustainable growth.
Ownership Structure

- Al-Futtaim Group – Holding 50.02% of shares, Al-Futtaim serves as the parent company, providing strategic guidance, financial support, and oversight for AGTL's long-term development.
- CNH Industrial (CNHI) – Holding 43.17% of shares, CNHI is an associated company and AGTL's technical partner, offering world-class technology, product innovation, and operational excellence.

Operating Structure

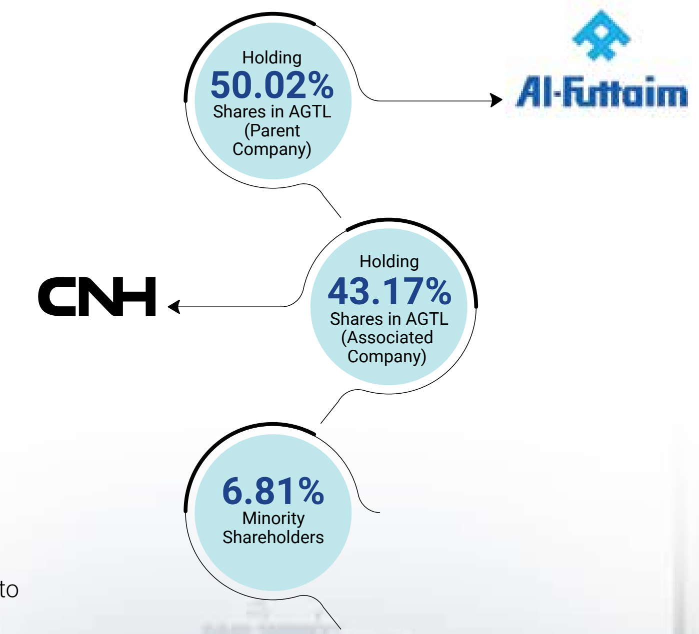
- AGTL's Board of Directors includes nominee directors from both Al-Futtaim and CNHI, ensuring strategic alignment, corporate governance, and effective oversight.
- The Company operates with a clear management hierarchy that supports operational efficiency, compliance with regulatory requirements, and effective coordination across all functions.
- AGTL maintains operations in Pakistan and extends its presence in various international markets, delivering high-quality New Holland tractors to customers abroad.

Relationship with Group Companies

The strategic partnerships with Al-Futtaim and CNHI enable AGTL to:

- Access global expertise in manufacturing, quality control, and product innovation
- Implement best practices in governance and operations aligned with international benchmarks
- Enhance technical capabilities and continuous improvement initiatives

Through this ownership and operating structure, AGTL maintains a robust foundation for growth, operational excellence, and value creation, contributing significantly to Pakistan's agricultural sector and its export potential.



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

AFG Global Footprint

Profile of CNH

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

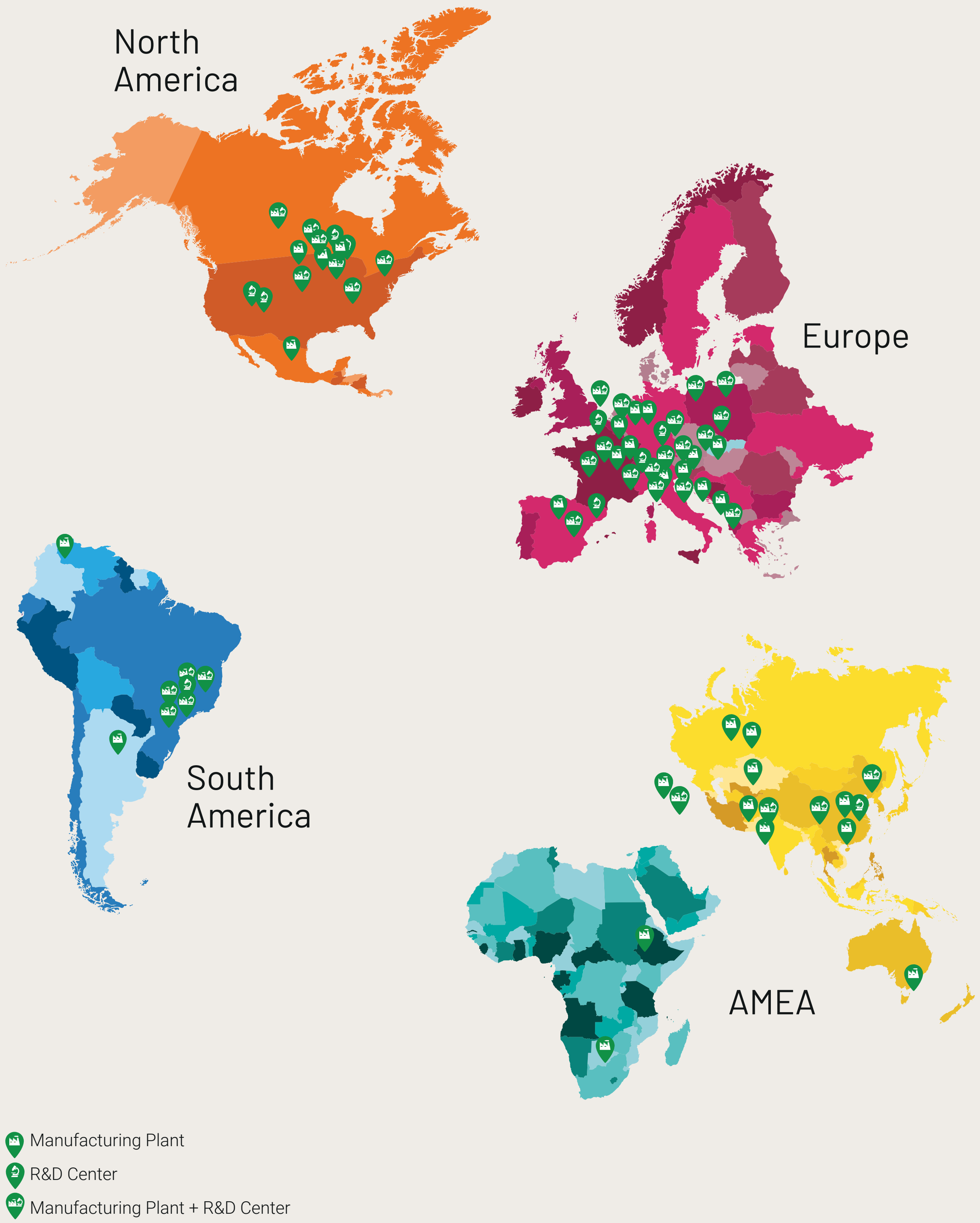
CNH Industrial is an international front-runner in the capital goods sector that designs, produces and sells agricultural and construction equipment (tractors, combines, excavators), wheel loaders, trucks, commercial vehicles, buses and specialty vehicles (including firefighting and civil protection 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



Profiles of Board of Directors

Mr. Robert McAllister
Chairman, Non-Executive Director

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

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

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

Mr. Dmitrii Bogatyrev
Non-Executive Director

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

Mr. Dmitrii Bogatyrev is an accomplished corporate financial executive with a remarkable almost 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. Paul Wagstaff
Non-Executive Director

Mr. Paul Wagstaff was appointed as Director on the Board of AGTL in May 2025. He is a financial and operations professional who has driven change and profitability across global organizations including Walt Disney, the NFL, Inchcape, and Al-Futtaim Automotive. Currently serving as General Manager – Finance at Al-Futtaim Automotive, Paul oversees financial operations for Industrial Equipment, Al Ghazi Tractors, AMW Ltd., and CMC Group.

A qualified management accountant, Paul specialises in expanding financial planning capabilities to support strategic decision-making and operational execution. Over the past decade, he has led major technology transformations, centralized risk management, and implemented a robust FP&A framework across the division.

Previously, Paul played a pivotal role in rebuilding Inchcape's finance team and modernizing its systems, including IFRS adoption and treasury optimization. His earlier roles include Financial Controller for the Amsterdam Admirals (NFL Europe), where he streamlined operations and digitalized ticketing, and Finance Manager at Walt Disney, where he led planning and analysis across the Benelux and multiple European markets.

Mr. Vincent De Lassagne
Non-Executive Director

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

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

Mr. Matthieu Sejourne
Non-Executive Director

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

Mr. Sejourne 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.

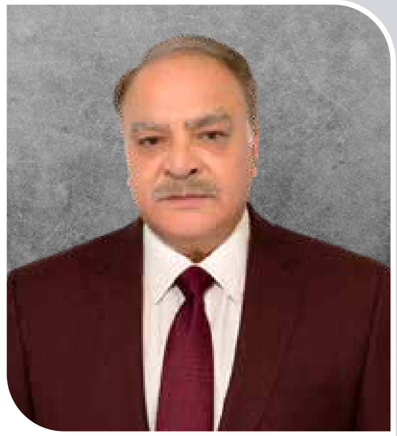
Mr. Sejourne holds a Master degree in Business Administration from SDA Bocconi - Milan, Italy and Master in Engineering from CESTI-Paris (newly named SUPMECA, Superior Centre of Study in Industrial Techniques - Mechanical Engineering School) with a major in Supply Chain Management.

Mr. Umberto Bucci
Non-Executive Director

Mr. Umberto Bucci joined the Board of Directors in January 2026, bringing over 25 years of experience in finance, business operations, and process improvement.

His career began in consulting with Accenture, where he specialized in finance and performance management for multinational clients, gaining a strong foundation in project management and business process re-engineering. After consulting, Umberto transitioned to leadership roles in corporate finance. In 2008, he joined CNH, where he held positions of increasing responsibility across Europe, Asia, and Africa. Throughout these roles, Umberto has led major projects such as post-merger integrations, implementation of internal control frameworks, and optimization of financial processes. Since 2025, he has overseen CNH's financial performance across Africa, Ukraine, Turkey, the Middle East, Central Asia, and Pakistan.

Mr. Bucci holds a degree in Business Administration from LIUC - Cattaneo University, Italy, which provided the academic foundation for his career in finance and global business management.



Mr. Shahid Toor
Independent Non-Executive Director

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

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

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

Ms. Samiha Zahid
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.

Mr. Malik Mirza
Independent Non-Executive Director

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

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

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

Profiles of Management

Mr. Yasin Seker
Chief Executive Officer

Yasin Seker was appointed as the Chief Executive Officer of the Company effective January 01, 2026.

Yasin brings over 18 years of international leadership experience spanning automotive, agricultural machinery, and heavy equipment sectors, with a strong track record in business transformation, strategic growth, operational excellence, and multi-country leadership across Africa, the Middle East, and Europe.

Before joining the Company as CEO, he was serving as the Group Managing Director – East Africa for CMC Motors, a subsidiary of the Al-Futtaim Automotive, where he led significant commercial and operational restructuring across the East African region. During his tenure with CMC Motors, he strengthened the organization's market position, enhanced operational efficiency, and played a key role in the agricultural machinery segment. He also served on the Board of Kenya Vehicle Manufacturers Ltd, contributing to the advancement of regional manufacturing and mobility growth.

Prior to joining the Al-Futtaim Group, Yasin held senior leadership roles across several globally recognized organizations, including Trelleborg Group (Dubai), CNH Industrial – New Holland Agriculture (Morocco and Turkey), Timac Agro International Groupe Roullier (Turkey), and Michelin (Turkey and France).

He holds a Master's degree in Law, Economics & Management with a specialization in International Business Administration, and a Bachelor's degree in Economics from Université Lumière (Lyon II), France. He is fluent in English, French, and Turkish.

Mr. Javed Iqbal
Chief Financial 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. Mansoor Khan
Company Secretary

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

He has more than 20 years of experience of handling corporate, regulatory affairs and governance matters. Prior to joining AGTL, he has served at senior management positions and as member of Board of Directors of various companies of Hashoo Group.

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

Mr. Muneeb Ahmed Khan
Head of Internal Audit

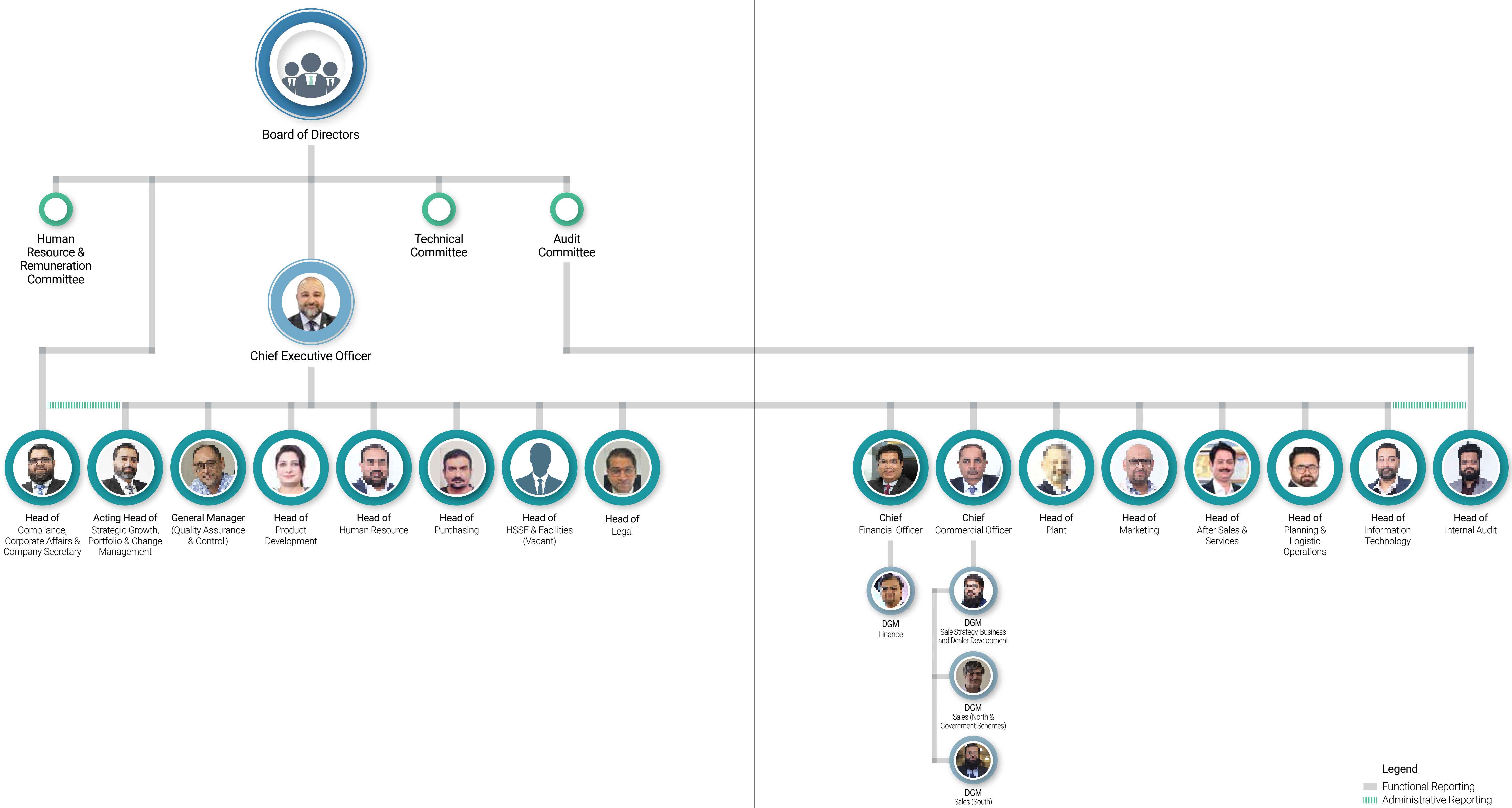
Muneeb Ahmed Khan was appointed as Head of Internal Audit in June 2022.

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

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

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

Organizational Chart



Significant Events 2025

QUARTER 1

JANUARY

Board of Directors' (BoD) meeting held to review Approval of Annual Budget 2025, YTD December 2024 performance and related business decisions.

FEBRUARY

BoD meeting held to review Year-to-Date performance and related business decisions.

MARCH

BoD meeting held to review Approval of Annual Audited Financial Statements for the year ended on 31 December 2025, Year-to-Date performance and related business decisions.

QUARTER 2

APRIL

BoD meeting held to review First Quarterly Financial Statements for the Quarter Ended on 31 March 2025, Year-to-Date performance and related business decisions.

Annual General Meeting of the Members held to consider and approve Annual Audited Financial Statements for the Year Ended 31 December 2024 and Re-appointment of External Auditors for ensuing period.

MAY

BoD meeting held to review Year-to-Date performance and related business decisions.

JUNE

BoD meeting held to review Year-to-Date performance and related business decisions.

QUARTER 3

JULY

Community Engagement and CSR Toy Donation Drive, Tree Plantation Drive Completed

AUGUST

BoD meeting held to review Approval of Second Quarterly Financial Statements for the Quarter Ended on 30 June 2025, Year-to-Date performance and related business decisions.

SEPTEMBER

BoD meeting held to review Year-to-Date performance and related business decisions.

QUARTER 4

OCTOBER

BoD meeting held to review Third Quarterly Financial Statements for the Quarter Ended on 30 September 2025, Year-to-Date performance and related business decisions.

NOVEMBER

BoD meeting held to review Year-to-Date performance and related business decisions.

Extraordinary General Meeting of the Members held to consider and approve Special Business in respect of Change Registered Office from the Province of Sindh to Province of Punjab i.e. Karachi to Lahore and consequent amendments to the Memorandum of Association of the Company.

DECEMBER

BoD meeting held to review Annual Budget 2026, Year-to-Date performance and related business decisions.

Chairman's Review

COMPANY'S PERFORMANCE OVERVIEW

During the period under review, Pakistan's economy showed gradual improvement, reflected in stable inflation, steady exports, growth in foreign remittances, stronger foreign exchange reserves, and a reduction in the policy rate. In contrast, the tractor industry faced one of its most challenging years in recent history. Weak farmer economics, declining crop prices, and lower farm outputs, combined with regional geopolitical tensions and the termination of the Government of Punjab's wheat procurement scheme, significantly constrained farmer liquidity. This resulted in an unprecedented market contraction, with total industry volumes declining by 38% compared to the prior year.

Amid these headwinds, Al-Ghazi Tractors Limited ("the Company") demonstrated resilience by strengthening its presence in the institutional segment. The Company secured a tender for 1,000 units of 55 HP tractors under the Government of Punjab's Wheat Tractors Scheme.

To support farmers' economic conditions, the Government of Punjab announced a PKR 15 billion Wheat Package through the Kisan Card, providing direct cash assistance to help cover input costs. In addition, the Government of Punjab introduced two tractor support program under the Green Tractor scheme, offering a total of 19,500 subsidized tractors, comprising 9,500 High Horsepower (HHP) tractors above 75 HP and 10,000 Medium Horsepower (MHP) tractors of up to 75 HP. The Company captured a 39% market share in the HHP segment. Balloting for the MHP segment was held subsequent to the financial year-end, under which the Company secured orders for 4,568 tractors, representing a 45.68% share of the MHP segment.

Despite the challenges, the Company delivered a resilient performance during the year, selling 7,739 tractors compared to 14,269 units in the prior year. This translated into sales revenue of Rs. 20.371 billion, compared to Rs. 34.574 billion in the prior year. The Company recorded a Gross Profit of Rs. 5.164 billion, while Profit After Tax stood at Rs. 1.301 billion. Further details of the Company's performance are provided in the Directors' Report.

Against a sharply contracted market, the Company continued to execute on its long-term transformation agenda with discipline and clarity. Having built foundational capabilities in prior years, we are now focused on execution and scale across core functions. During the year, we established a dedicated Research and Development Centre to institutionalize product innovation and strengthen our ability to respond to evolving customer requirements. In parallel, we advanced modernization initiatives within manufacturing, enhanced supply chain resilience, and continued to refine the customer experience across our distribution network. These actions are not incremental; they are structural investments designed to improve competitiveness, protect margins, and position the Company for sustainable and scalable growth in the years ahead.

Looking ahead, the operating environment is expected to remain competitive and sensitive to farmer economics. In this context, the Company will maintain strict cost discipline, protect margins, and focus on product segments where it holds structural strength. We will continue to expand and refine our product portfolio in line with evolving customer requirements, while advancing export readiness and institutional business opportunities. Our priority remains clear: deliver consistent quality, preserve financial strength, and build long-term resilience through disciplined execution of our strategy.

CONTRIBUTION TO GOVERNMENT EXCHEQUER

During the period under review, the Company made a substantial contribution of Rs. 4.8 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

During a year marked by significant industry contraction, the Board maintained active oversight of strategy, financial performance, risk management, and capital allocation. Particular attention was given to liquidity management, margin protection, and institutional business opportunities in a volatile operating environment.

The Board discharged its responsibilities in full compliance with the Companies Act, 2017, and the Code of Corporate Governance. All interim and annual financial statements for FY 2025 were reviewed and approved with detailed directors' oversight, ensuring transparency and accountability. The Company's 2025 Statement of Compliance sets out adherence to applicable governance requirements and best practices.

The Board's oversight remained focused on performance, risk management, and strategic execution, ensuring decisions were aligned with long-term and sustainable shareholder value. Recognizing that robust corporate governance is fundamental to accountability and trust, the Board established dedicated committees to enhance oversight and facilitate effective decision-making. During the year, the Board convened eleven meetings, with its committees holding an additional twenty-one meetings, guiding the Company through a challenging economic landscape and fostering resilience.

I extend my appreciation to the members of the Board for their continued oversight and guidance during a demanding year for the industry. I also thank our shareholders for their sustained confidence in the Company, and our customers, suppliers, and business partners for their continued support. I acknowledge the commitment of our management and employees, whose disciplined execution and professionalism enabled the Company to navigate a challenging operating environment. With a strong foundation, prudent financial management, and clear strategic direction, I remain confident in the Company's ability to strengthen its position and deliver sustainable value in the years ahead.

Robert McAllister
Chairman

March 17, 2026

چیئرمین کا جائزہ

رابرٹ میک ایلسٹر
چیئرمین

کمپنی کی کارکردگی کا جائزہ

زیرِ جائزہ مدت کے دوران پاکستان کی معیشت میں بتدریج بہتری دیکھنے میں آئی، جس کا اظہار مستحکم افراطِ زر، برآمدات میں تسلسل، بیرونِ ملک سے ترسیلاتِ زر میں اضافہ، زرمبادلہ کے ذخائر میں بہتری اور پالیسی ریٹ میں کمی کی صورت میں ہوا۔ اس کے برعکس، ٹریکٹر انڈسٹری کو حالیہ تاریخ کے مشکل ترین برسوں میں سے ایک کا سامنا کرنا پڑا۔ کسانوں کی کمزور معاشی صورتحال، فصلوں کی قیمتوں میں کمی اور زرعی پیداوار میں کمی کے ساتھ ساتھ علاقائی جغرافیائی سیاسی کشیدگی اور حکومتِ پنجاب کی گندم خریداری اسکیم کے خاتمے نے کسانوں کی مالی استعداد کو نمایاں طور پر محدود کر دیا۔ اس کے نتیجے میں مارکیٹ میں غیر معمولی سکڑاؤ دیکھنے میں آیا اور مجموعی صنعتی فروخت گزشتہ سال کے مقابلے میں 38 فیصد کم ہو گئی۔

ان مشکلات کے باوجود، الغازی ٹریکٹرز لمیٹڈ (''کمپنی'') نے ادارہ جاتی شعبے میں اپنی موجودگی مضبوط بنا کر ثابت قدمی کا مظاہرہ کیا۔ کمپنی نے حکومتِ پنجاب کی گندم ٹریکٹر اسکیم کے تحت 55 ہارس پاور کے 1,000 ٹریکٹرز کی فراہمی کا ٹینڈر حاصل کیا۔

کسانوں کی معاشی صورتحال کو بہتر بنانے کے لیے حکومتِ پنجاب نے کسان کارڈ کے ذریعے 15 ارب روپے کا گندم پیکج متعارف کرایا، جس کے تحت کسانوں کو زرعی اخراجات پورے کرنے میں مدد دینے کے لیے براہِ راست نقد معاونت فراہم کی گئی۔ اس کے علاوہ حکومتِ پنجاب نے گرین ٹریکٹر اسکیم کے تحت دو ٹریکٹر معاونتی پروگرام بھی متعارف کرائے، جن کے تحت مجموعی طور پر 19,500 سبسڈی شدہ ٹریکٹر فراہم کیے گئے۔ جن میں 9,500 ہائی ہارس پاور شامل ہیں جن کی طاقت 75 ہارس پاور سے زیادہ ہے اور 10,000 درمیانے ہارس پاور شامل ہیں جن کی طاقت 75 ہارس پاور تک ہے۔ کمپنی نے ہائی ہارس پاور سیگمنٹ میں 39 فیصد مارکیٹ شیئر حاصل کیا۔ مڈیم ہارس پاور سیگمنٹ کے لیے قرعہ اندازی مالی سال کے اختتام کے بعد منعقد ہوئی، جس کے تحت کمپنی کو 4,568 ٹریکٹرز کے آرڈرز حاصل ہوئے، جو اس سیگمنٹ میں 45.68 فیصد حصہ بنتا ہے۔

مشکل حالات کے باوجود کمپنی نے سال کے دوران مضبوط کارکردگی کا مظاہرہ کیا اور 7,739 ٹریکٹر فروخت کیے، جبکہ گزشتہ سال یہ تعداد 14,269 تھی۔ اس کے نتیجے میں فروخت سے حاصل ہونے والی آمدن 20.371 ارب روپے رہی، جبکہ گزشتہ سال یہ 34.574 ارب روپے تھی۔ کمپنی کا مجموعی منافع 5.164 ارب روپے، جبکہ بعد از ٹیکس منافع 1.301 ارب روپے رہا۔ کمپنی کی کارکردگی کی مزید تفصیلات ڈائریکٹرز کی رپورٹ میں فراہم کی گئی ہیں۔

نمایاں طور پر سکڑی ہوئی مارکیٹ کے باوجود کمپنی نے اپنے طویل المدتی تبدیلی کے ایجنڈے پر نظم و ضبط اور واضح حکمت عملی کے ساتھ عمل جاری رکھا۔ گزشتہ برسوں میں بنیادی صلاحیتیں قائم کرنے کے بعد اب ہماری توجہ بنیادی شعبوں میں مؤثر عملدرآمد اور وسعت پر مرکوز ہے۔ سال کے دوران ہم نے مصنوعات میں جدت کو ادارہ جاتی شکل دینے اور صارفین کی بدلتی ضروریات کا مؤثر جواب دینے کی صلاحیت کو مضبوط بنانے کے لیے ایک خصوصی ریسرچ اینڈ ڈیولپمنٹ سینٹر قائم کیا۔ اس کے ساتھ ساتھ ہم نے مینوفیکچرنگ میں جدیدیت کے اقدامات کو آگے بڑھایا، سپلائی چین کی مضبوطی میں اضافہ کیا اور اپنی ڈسٹری بیوشن نیٹ ورک کے ذریعے صارفین کے تجربے کو مزید بہتر بنایا۔ یہ اقدامات محض تدریجی نہیں بلکہ ساختی نوعیت کی سرمایہ کاری ہیں جن کا مقصد مسابقتی صلاحیت میں اضافہ، منافع کے مارجن کا تحفظ اور آنے والے برسوں میں کمپنی کو پائیدار اور قابلِ توسیع ترقی کے لیے مؤثر طور پر تیار کرنا ہے۔

آئندہ کے حوالے سے آپریٹنگ ماحول کے مسابقتی رہنے اور کسانوں کی معاشی صورتحال سے متاثر رہنے کا امکان ہے۔ اس تناظر میں کمپنی سخت لاگت کنٹرول برقرار رکھے گی، منافع کے مارجنز کا تحفظ کرے گی اور ان مصنوعات کے شعبوں پر توجہ مرکوز رکھے گی جہاں کمپنی کو ساختی برتری حاصل ہے۔ ہم صارفین کی بدلتی ضروریات کے مطابق اپنی مصنوعات کے پورٹ فولیو کو مزید وسعت اور بہتری دیتے رہیں گے، جبکہ برآمدی تیاری اور ادارہ جاتی کاروباری مواقع کو بھی آگے بڑھائیں گے۔ ہماری ترجیح واضح ہے: مستقل معیار فراہم کرنا، مالی مضبوطی کو برقرار رکھنا اور اپنی حکمت عملی پر نظم و ضبط کے ساتھ عملدرآمد کے ذریعے طویل المدتی مضبوطی قائم کرنا۔

قومی خزانے میں حصہ

زیرِ جائزہ مدت کے دوران کمپنی نے قومی خزانے میں 4.8 ارب روپے کا نمایاں حصہ ادا کیا۔ اس میں مختلف ٹیکسز اور ڈیوٹیز شامل ہیں جن میں انکم ٹیکس، ودہولڈنگ ٹیکس، کسٹمز ڈیوٹیز، جنرل سیلز ٹیکس اور دیگر متعلقہ محصولات شامل ہیں۔

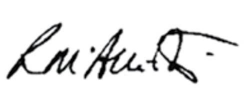
بورڈ کی کارکردگی اور مؤثر کردار

ایسے سال میں جب انڈسٹری میں نمایاں سکڑاؤ دیکھنے میں آیا، بورڈ آف ڈائریکٹرز نے حکمت عملی، مالی کارکردگی، رسک مینجمنٹ اور سرمایہ کے مؤثر استعمال پر فعال نگرانی برقرار رکھی۔ خاص طور پر غیر یقینی آپریٹنگ ماحول میں لیکویڈیٹی مینجمنٹ، مارجن کے تحفظ اور ادارہ جاتی کاروباری مواقع پر خصوصی توجہ دی گئی۔

بورڈ نے اپنی ذمہ داریاں کمپنیز ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس کے مطابق مکمل طور پر ادا کیں۔ مالی سال 2025 کی تمام عبوری اور سالانہ مالیاتی رپورٹس بورڈ کی تفصیلی نگرانی کے بعد منظور کی گئیں، جس سے شفافیت اور جوابدہی کو یقینی بنایا گیا۔ کمپنی کا اسٹیٹمنٹ آف کمپلائنس 2025 قابلِ اطلاق گورننس تقاضوں اور بہترین طریقۂ کار کی پابندی کو واضح کرتا ہے۔

بورڈ کی نگرانی کارکردگی، رسک مینجمنٹ اور اسٹریٹجک عملدرآمد پر مرکوز رہی تاکہ تمام فیصلے طویل المدتی اور پائیدار شیئر ہولڈر ویلیو کے مطابق ہوں۔ اس بات کو مدنظر رکھتے ہوئے کہ مضبوط کارپوریٹ گورننس جوابدہی اور اعتماد کے لیے بنیادی حیثیت رکھتی ہے، بورڈ نے مؤثر نگرانی اور بہتر فیصلہ سازی کے لیے خصوصی کمیٹیاں قائم کر رکھی ہیں۔ سال کے دوران بورڈ کے گیارہ اجلاس منعقد ہوئے جبکہ اس کی کمیٹیوں کے مزید اکیس اجلاس ہوئے، جنہوں نے کمپنی کو مشکل معاشی حالات میں رہنمائی فراہم کی اور اس کی مضبوطی کو فروغ دیا۔

میں بورڈ کے اراکین کا مشکور ہوں جنہوں نے انڈسٹری کے لیے ایک مشکل سال کے دوران اپنی مسلسل رہنمائی اور نگرانی فراہم کی۔ میں اپنے شیئر ہولڈرز کا بھی شکریہ ادا کرتا ہوں جنہوں نے کمپنی پر اپنا اعتماد برقرار رکھا، اور اپنے صارفین، سپلائرز اور کاروباری شراکت داروں کا بھی ممنون ہوں جنہوں نے مسلسل تعاون فراہم کیا۔ میں کمپنی کی مینجمنٹ اور ملازمین کے عزم اور پیشہ ورانہ صلاحیتوں کو بھی سراہتا ہوں جن کی منظم کاوشوں کے باعث کمپنی مشکل آپریٹنگ ماحول میں بھی کامیابی سے آگے بڑھتی رہی۔ مضبوط بنیاد، محتاط مالی نظم و نسق اور واضح حکمت عملی کے ساتھ مجھے یقین ہے کہ کمپنی آنے والے برسوں میں اپنی پوزیشن مزید مضبوط کرے گی اور پائیدار قدر پیدا کرتی رہے گی۔



رابرٹ میک ایلسٹر
چیئرمین

17 مارچ، 2026

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 December 31, 2025.

OPERATING RESULTS

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

	2025	2024
	(Rupees in '000)	
Sales	20,371,056	34,574,430
Gross profit	5,164,884	8,434,686
Profit before taxation and levy	2,176,597	5,708,700
Taxation	(875,784)	(2,164,199)
Profit after tax	1,300,813	3,542,275
Other comprehensive income	37,012	(125,587)
Total income	1,337,825	3,416,688

DIVIDEND & GENERAL RESERVE

For the year ended December 31, 2025, the Board, in its meeting held on March 17, 2026 proposed a final cash dividend of Rs. Nil per share, amounting to Rs. Nil. To accelerate the Company's transformation journey, the Board has decided to retain earnings instead of declaring a dividend. This approach allows strategic investment in product innovation, operational modernization, and technology adoption, positioning the Company for sustainable growth in the coming years. Further details of the transformation program are provided in this report.

EARNINGS PER SHARE

The Basic earnings per share were Rs. 22.44 in 2025 compared to Rs. 61.11 in 2024.

ECONOMIC BACKGROUND

The economic landscape of Pakistan in 2025 remained positive, reflecting an optimistic outlook and strengthened macroeconomic fundamentals. Inflation remained within controlled bounds, increased year-on-year from 4.1% in December 2024 to 5.6% in December 2025, supported by increased exports, remittances, foreign exchange reserves, and an accommodative policy stance. The policy rate was reduced from 13% in December 2024 to 10.5% in December 2025.

In contrast, the tractor industry faced a challenging environment, with total sales declining by 38% year-on-year to 24,724 units, compared to 39,897 units in the last year. This contraction was driven by weakened farmer economics, declining crop prices, and reduced agricultural outputs, compounded by the termination of the Government's wheat procurement scheme, which constrained farmer liquidity. Adverse weather, including floods during the rainy season, further impacted crops and cultivated land, while ongoing regional geopolitical uncertainties compounded the challenges faced by the industry. Collectively, these factors led to a significant contraction in market demand, marking one of the most difficult periods in recent industry history.

Despite a challenging market environment, the Company maintained its resilience by actively expanding its presence in the institutional segment. During the year, it successfully secured a tender for 1,000 units of 55 HP tractors under the Government of Punjab's Wheat Tractors Scheme. Furthermore, under the Green Tractor Scheme, two tractor support initiatives were introduced during the year, offering a total of 19,500 subsidized tractors, comprising 9,500 High Horsepower (HHP) tractors above 75 HP and 10,000 Medium Horsepower (MHP) tractors below 75 HP. The Company captured a 39% market share in the HHP segment. The balloting for the MHP segment was held subsequent to the financial year-end, wherein the Company secured orders for 4,568 tractors, representing a 45.68% share of MHP segment.

PERFORMANCE HIGHLIGHTS

Despite the challenging business environment, AGTL sold 7,739 tractors in 2025, compared to 14,269 tractors in the same period last year, generating sales revenue of Rs. 20.371 billion, down from Rs. 34.574 billion recorded in the previous year.

Gross profit for the year under review stood at Rs. 5.164 billion, compared to Rs. 8.434 billion last year, representing a decrease of 39%. Profit before tax and levy for the year ended December 31, 2025 reached Rs. 2.177 billion from 5.709 billion, reflecting a 62% decrease compared to the previous year.

Profit after tax for the year ended December 31, 2025 stood at Rs. 1.301 billion, compared to Rs. 3.542 billion in the previous year, reflecting a decrease of 63%. This translated into earnings per share (EPS) of Rs. 22.44.

The decline in revenue and profitability during the year was primarily attributable to the challenging business environment in the tractor industry, as discussed earlier in this report.

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

APPROPRIATIONS

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

	2025	2024
	(Rupees in '000)	
Unappropriated profit – brought forward	8,907,092	5,490,404
Total income for the year	1,337,825	3,416,688
Transfer from general reserve to unappropriated profit	-	-
Amount available for appropriation	10,244,917	8,907,092
Appropriation: Dividend paid	-	-
Unappropriated profit – carried forward	10,244,917	8,907,092

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, Board of Directors comprises the following ten members including CEO:

1.	Mr. Robert McAllister	Non-Executive Director
2.	Mr. Dmitrii Bogatyrev	Non-Executive Director
3.	Mr. Paul Wagstaff	Non-Executive Director
4.	Mr. Umberto Bucci	Non-Executive Director
5.	Mr. Vincent De Lassagne	Non-Executive Director
6.	Mr. Matthieu Sejourne	Non-Executive Director
7.	Mr. Shahid Toor	Independent Director
8.	Mr. Malik Mirza	Independent Director
9.	Ms. Samiha Zahid	Independent Director
10.	Mr. Yasin Seker	CEO

The following are the names of persons who, at any time during the financial year, served as 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. Paul Wagstaff	Non-Executive Director
5.	Mr. Marco Votta	Non-Executive Director
6.	Mr. Vincent De Lassagne	Non-Executive Director
7.	Mr. Matthieu Sejourne	Non-Executive Director
8.	Mr. Shahid Toor	Independent Director
9.	Mr. Malik Mirza	Independent Director
10.	Ms. Samiha Zahid	Independent Director
11.	Mr. Sakib Eltaff	CEO

During the period under review, Mr. Paul Wagstaff was appointed as a Non-Executive Director in place of Mr. Malik Ehtisham Ikram.

Subsequent to the year ended 31 December, 2025, Mr. Yasin Seker was appointed as Chief Executive Officer with effect from January 1, 2026, in place of Mr. Sakib Eltaff. Furthermore, Mr. Umberto Bucci was appointed as a Non-Executive Director in place of Mr. Marco Votta with effect from January 26, 2026.

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 the following members:

(a) Audit Committee

Mr. Malik Mirza	Committee Chairman
Mr. Umberto Bucci	Member
Mr. Paul Wagstaff	Member

(b) Human Resources & Remuneration Committee

Ms. Samiha Zahid	Committee Chairperson
Mr. Umberto Bucci	Member
Mr. Paul Wagstaff	Member
Mr. Yasin Seker	Member

Subsequent to the year ended 31 December, 2025, Mr. Yasin Seker was appointed as a Member of the Human Resources & Remuneration Committee in place of Mr. Sakib Eltaff, with effect from January 1, 2026. Additionally, Mr. Umberto Bucci was appointed as a Member of the Audit Committee and the Human Resources & Remuneration Committee in place of Mr. Marco Votta, with effect from January 26, 2026.

The Board in its meeting held on January 23, 2026 change the Board Technical committee to Technical Executive with following members:

(c) Technical Executive Committee

Mr. Shahid Toor	Committee Chairman
Mr. Robert McAllister	Member
Mr. Matthieu Sejourne	Member
Mr. Vincent De Lassagne	Member
Mr. Marco Gerbi	Member
Mr. Paul Wagstaff	Member
Mr. Dmitrii Bogatyrev	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 36 of the 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 Directors was Rs.6.19 million (2024: Rs. Rs.7.91 million).

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

Chief Executive Officer	Rs.1.83 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 criteria. 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 "Stakeholders Relationship and Engagement".

FOREIGN HOLDING POSITION

Al Futtaim Industries Co. LLC., incorporated in the 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% of the shares of AGTL.

GOING CONCERN

There are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) AND SUSTAINABILITY

The Board recognizes that effective governance of sustainability-related risks and opportunities, including environmental, social and governance (ESG) considerations, is integral to the long-term success and value creation of the Company and, accordingly, provides oversight and direction in relation to the Company's sustainability framework, strategies, priorities and targets to ensure alignment with business objectives and stakeholder interests.

The Board proactively identifies, assesses and addresses both principal and emerging sustainability-related risks and opportunities, including climate-related risks, evaluates their potential financial and operational impacts, and implements appropriate strategies for their management and mitigation, while embedding sustainability considerations into decision-making processes in light of the evolving regulatory, environmental and social landscape. The Company remains committed to minimizing its environmental footprint and enhancing climate resilience through initiatives such as energy conservation, optimization of fuel efficiency, reuse and recycling practices, and environmental conservation efforts including tree plantation.

The Board also emphasizes social responsibility, employee welfare and community development, particularly in and around the Dera Ghazi Khan plant, and during the year the Company continued to undertake various corporate social responsibility initiatives including local talent development, employment of individuals with special needs, promotion of safe and healthy working conditions, strengthening industrial relations, consumer protection and adherence to high standards of business ethics, details of which are provided in the Sustainability Report forming part of this Annual Report.

The Board ensures that policies and practices promoting diversity, equity and inclusion (DE&I) are in place to encourage gender mainstreaming, promote gender equality and enhance the participation of women across the Board, management and workforce, while fostering a fair, inclusive and non-discriminatory work environment. The Board further ensures that the Company's sustainability and DE&I related strategies, priorities and targets, as well as performance against these objectives, are periodically reviewed and monitored, and has assigned oversight of sustainability matters to the Board Audit Committee which monitors sustainability-related risks and opportunities, oversees compliance with applicable laws and regulations and reviews the adequacy of related disclosures.

GENDER PAY GAP DISCLOSURE

In accordance with SECP Circular 10 of 2024, the gender pay gap for the year ended 31 December, 2025, has been calculated as follows:

- Mean Gender Pay Gap: 11.30%
- Median Gender Pay Gap: 11.24%

NATURE OF BUSINESS

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

CHANGE OF REGISTERED OFFICE

During the period under review, the Company changed its registered office from the Province of Sindh to the Province of Punjab, i.e., from Karachi to Lahore, along with the consequent amendments to its Memorandum of Association. The change was approved by the members as Special Business at the Extraordinary General Meeting held on November 04, 2025.

THE TRANSFORMATION PROJECT

The Company remained steadfast in executing its long-term transformation agenda with discipline, focus, and strategic clarity. Building on the foundational capabilities developed in prior years, the Company has now shifted its emphasis toward full-scale execution and operational excellence across all core functions. This deliberate approach ensures that every initiative is aligned with our overarching vision of sustainable growth.

During the year, the Company established a dedicated Research and Development Centre, aimed at institutionalizing product innovation and enhancing our responsiveness to evolving customer needs. This facility not only strengthens our technological capabilities but also positions us to anticipate market trends and deliver solutions that are both relevant and differentiated. Concurrently, the Company accelerated its manufacturing modernization programs, implementing advanced production technologies and process improvements to drive efficiency, enhance quality, and strengthen operational resilience.

Collectively, these initiatives represent far more than incremental improvements; they are structural and strategic investments. By enhancing competitiveness, safeguarding margins, and creating scalable operational frameworks, the Company is positioning itself for sustained, profitable growth over the medium and long-term. These actions underscore our commitment to building a resilient organization capable of navigating market uncertainties while capturing emerging opportunities across the agricultural and institutional segments.

DEFAULT OF PAYMENTS, DEBT/LOAN, TAXES AND LEVIES

The Company, adhering to the highest standards of corporate governance, recognizes its responsibility to ensure the timely settlement of all financial obligations. During the year under review, there were no defaults on any loan or debt repayments. Furthermore, as of the close of the financial year, all taxes, duties, and levies have been duly settled, with no overdue or outstanding amounts, except as appropriately disclosed in these financial statements.

SUBSEQUENT EVENTS

No significant changes or commitments impacting the Company's financial position have arisen between the end of the financial year and the date of this report, except as disclosed herein.

ADEQUACY OF INTERNAL CONTROLS

The Board of Directors acknowledges its responsibility for maintaining a strong internal control environment and has implemented a comprehensive framework to ensure operational efficiency, safeguard the Company's assets, comply with applicable laws and regulations, and deliver reliable financial reporting. The independent Internal Audit function routinely assesses and monitors the effectiveness of financial controls, while the Audit Committee conducts quarterly reviews of both the internal control framework and the financial statements. In addition, the Company has established a dedicated Risk Management Function to oversee enterprise-wide risk and ensure proactive mitigation of potential exposures.

FUTURE DEVELOPMENT & OUTLOOK

The Company continues to reinforce its market position through a strategic focus on higher horsepower segments, underpinned by sustained investments in research and development to enhance product quality, performance, and innovation. In line with this commitment, the Company is actively introducing new models to address evolving customer requirements, further demonstrating its dedication to delivering technologically advanced and reliable solutions. These efforts are complemented by structured vendor development programs, which enhance product reliability, durability, and overall customer satisfaction.

In parallel, the expansion of the Company's export business remains a key strategic priority, enabling diversification of revenue streams and reducing reliance on domestic market cycles. Leveraging enhanced R&D capabilities and high-quality products, the Company is well positioned to capture opportunities in international markets and benefit from anticipated growth in government and institutional demand. The Company's priority remains unequivocal: to deliver consistent quality, maintain financial strength, and foster long-term resilience through disciplined and focused execution of its strategic objectives.

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 the financial and corporate governance/control framework are made:

- 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.
- Eleven meetings of the Board of Directors, ten meetings of the Board's Technical Committee, and nine meetings of the Board's Audit Committee were held during the year. Additionally, two meetings of the Human Resources & Remuneration Committee were also convened. Details of attendance by each Director and committee member are provided in the "Corporate Governance" section of this Annual Report.
- 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 the credit standing of entities in Pakistan. VIS Credit Rating Company Limited (VIS) has maintained the entity ratings of AGTL of 'A+/A1' (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 'A1' 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 operates in an environment marked by various risks and challenges that could impact production, sales, and overall sustainability, including those stemming from economic conditions, government policies, market dynamics, and external uncertainties. To address these, a dedicated Risk Management Function has been established to systematically identify, assess, and mitigate potential risks. Despite these challenges, the Company remains focused on reinforcing its market leadership by driving cost competitiveness while upholding high standards of product quality, which continue to serve as a cornerstone of its long-term competitive advantage.

EXTERNAL AUDITORS

The current auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants, shall retire at the forthcoming Annual General Meeting. Being eligible, they have offered themselves for reappointment. 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 2026.

FINANCIALS ON WEBSITE

The financial results for the year 2025 will be available on the Company's website at www.alghazitractors.com.

ACKNOWLEDGMENTS

The Board extends its sincere gratitude to all stakeholders, including our employees, dealers, and principals, Al-Futtaim and CNH Industrial, for their continued support, commitment, and dedication. The Company remains steadfast in its resolve to not only maintain but further enhance its performance, with a focus on delivering exceptional results in the years ahead.

On behalf of the Board of Directors

Robert McAllister
Chairman of the Board

Yasin Seker
Chief Executive Officer

Date: March 17, 2026

سیکیورٹیز ایکٹ، 2015 کی تعمیل میں وقتاً فوقتاً اسٹاک ایکسچینج/SECP کو ظاہر کیا جائے۔

- گزشتہ چھ سالوں کے اہم آڈٹ شدہ آپریٹنگ اور مالیاتی نتائج اس سالانہ رپورٹ میں شامل کیے گئے ہیں۔
- سال کے دوران بورڈ آف ڈائریکٹرز کی گیارہ میٹنگز، بورڈ کی ٹیکنیکل کمیٹی کی دس میٹنگز، اور بورڈ کی آڈٹ کمیٹی کے نو اجلاس منعقد ہوئے۔ اس کے علاوہ، ہیومن ریسورسز اور معاوضہ کمیٹی کی دو میٹنگز بھی طلب کی گئیں۔ ہر ڈائریکٹر اور کمیٹی ممبر کی حاضری کی تفصیلات اس سالانہ رپورٹ کے "کارپوریٹ گورننس" سیکشن میں فراہم کی گئی ہیں۔
- بورڈ آڈٹ کمیٹی نے متعلقہ فریقین کے لین دین کا جائزہ لیا اور بورڈ نے انہیں منظور کیا۔ یہ لین دین انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) اور کمپنیز ایکٹ، 2017 کی شرائط کے مطابق تھے۔ کمپنی ایسے تمام لین دین کا مکمل اور مکمل ریکارڈ رکھتی ہے۔ متعلقہ فریق لین دین کی تفصیلات کمپنی کے مالیاتی بیانات کے نوٹ میں ظاہر کی گئی ہیں۔
- ٹیکس اور لیویز کے بارے میں معلومات مالیاتی بیانات میں دی گئی ہیں۔

کریڈٹ ریٹنگ

کریڈٹ ریٹنگ پاکستان میں اداروں کی کریڈٹ اسٹینڈنگ کا جائزہ ہے۔ VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے AGTL کی ادارے کی درجہ بندی 'A+/A1' (سنگل A پلس/A-One) برقرار رکھی ہے۔ طویل مدتی 'A+' کی درجہ بندی اچھے کریڈٹ معیار اور مناسب حفاظتی عوامل کی عکاسی کرتی ہے۔ خطرے کے عوامل معیشت میں ممکنہ تبدیلیوں کے ساتھ مختلف ہو سکتے ہیں۔ شارٹ ٹرم ریٹنگ 'A1' بروقت ادائیگی کی اعلیٰ یقین دہانی، بہترین لیکویڈیٹی عوامل اور اچھے بنیادی حفاظتی عوامل کی حمایت کی علامت ہے۔ خطرے کے عوامل معمولی ہیں۔ تفویض کردہ ریٹنگز کا اندازہ 'مستحکم' ہے۔

اہم خطرات، چیلنجز اور غیر یقینی صورتحال

کمپنی ایسے ماحول میں کام کرتی ہے جہاں مختلف خطرات اور چیلنجز موجود ہیں جو پیداوار، فروخت، اور مجموعی پائیداری کو متاثر کر سکتے ہیں، جن میں معاشی حالات، حکومتی پالیسیاں، مارکیٹ کی حرکیات اور بیرونی غیر یقینی صورتحال شامل ہیں۔ ان مسائل کو حل کرنے کے لیے، ایک مخصوص رسک مینجمنٹ فنکشن قائم کیا گیا ہے جو ممکنہ خطرات کی منظم شناخت، جائزہ اور کمی کے لیے ہے۔ ان چیلنجز کے باوجود، کمپنی اپنی مارکیٹ قیادت کو مضبوط بنانے پر توجہ مرکوز رکھتی ہے، لاگت میں مسابقت کو بڑھاتے ہوئے مصنوعات کے معیار کے اعلیٰ معیار کو برقرار رکھتی ہے، جو اس کی طویل مدتی مسابقتی برتری کی بنیاد ہیں۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز، مسٹرز اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، آئندہ سالانہ جنرل میٹنگ میں ریٹائر ہو جائیں گے۔ اہل ہونے کی وجہ سے، انہوں نے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ ڈائریکٹرز آڈٹ کمیٹی کی سفارش کی توثیق کرتے ہیں کہ مسٹرز اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو مالی سال 2026 کے لیے قانونی آڈیٹرز کے طور پر دوبارہ مقرر کیا جائے۔

ویب سائٹ پر مالیاتی معلومات

سال 2025 کے مالی نتائج کمپنی کی ویب سائٹ پر www.alghazitractors.com پر دستیاب ہوں گے۔

شکریہ

بورڈ تمام اسٹیک ہولڈرز، بشمول ہمارے ملازمین، ڈیلرز اور پرنسپلز، الفطیم اور CNH انڈسٹریل، کا ان کی مسلسل حمایت، وابستگی اور لگن پر مخلصانہ شکریہ ادا کرتا ہے۔ کمپنی نہ صرف اپنی کارکردگی کو برقرار رکھنے بلکہ مزید بہتر بنانے کے عزم پر قائم ہے، اور آنے والے سالوں میں غیر معمولی نتائج فراہم کرنے پر توجہ مرکوز کرتی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

رابرٹ میکالسٹر
بورڈ کے چیئرمین

یاسین سیکر
چیف ایگزیکٹو آفیسر

تاریخ: 17 مارچ 2026

کے حوالے سے اہداف کی حصول، تنظیم سازی، جانشینی کی منصوبہ بندی اور کارپوریٹ کامیابی شامل ہیں۔

شیئرہولڈنگ کا نمونہ

کمپنی کی شیئر ہولڈنگ کا نمونہ اس رپورٹ کے ساتھ ”سرمایہ کار تعلقات“ کے سیکشن کے تحت منسلک ہے۔

غیرملکی ہولڈنگ پوزیشن

القیم انڈسٹریز کمپنی ایل ایل سی، جو متحدہ عرب امارات میں رجسٹرڈ ہے اور 50.02٪ حصص کی مالک ہے، اے جی ٹی ایل کی ہولڈنگ کمپنی ہے۔ CNH انڈسٹریل N.V، جو نیدرلینڈز میں رجسٹرڈ ہے، دوسری بڑی شیئر ہولڈر ہے، جو AGTL کے 43.17٪ حصص رکھتی ہے۔

گوئنگ کنسرن

کوئی مادی غیر یقینی صورتحال نہیں ہے جو کمپنی کی بطور جاری رہنے کی صلاحیت پر شدید شک پیدا کرے۔

ماحولیات، سماجی اور حکمرانی (ESG) اور پائیداری

بورڈ تسلیم کرتا ہے کہ پائیداری سے متعلق خطرات اور مواقع کی مؤثر حکمرانی، بشمول ماحولیاتی، سماجی اور گورننس (ESG) پہلو، کمپنی کی طویل مدتی کامیابی اور قدر کی تخلیق کے لیے لازمی ہے اور اسی مناسبت سے کمپنی کے پائیداری کے فریم ورک، حکمت عملیوں، ترجیحات اور اہداف کے حوالے سے نگرانی اور رہنمائی فراہم کرتا ہے تاکہ کاروباری مقاصد اور اسٹیک ہولڈرز کے مفادات کے ساتھ ہم آہنگی یقینی بنائی جا سکے۔

بورڈ اہم اور ابھرتے ہوئے پائیداری سے متعلق خطرات اور مواقع، بشمول موسمیاتی خطرات کی پیشگی شناخت، جائزہ اور حل کرتا ہے، ان کے ممکنہ مالی اور عملی اثرات کا جائزہ لیتا ہے، اور ان کے انتظام اور تخفیف کے لیے مناسب حکمت عملیوں کو نافذ کرتا ہے، جبکہ پائیداری کے پہلوؤں کو فیصلہ سازی کے عمل میں شامل کرتا ہے جو بدلتے ہوئے ضابطہ، ماحولیاتی اور سماجی منظرنامے کی روشنی میں شامل ہوتا ہے۔ کمپنی اپنی ماحولیاتی اثرات کو کم کرنے اور موسمیاتی مزاحمت کو بڑھانے کے لیے توانائی کی بچت، ایندھن کی بچت کی بہتری، دوبارہ استعمال اور ری سائیکلنگ کے طریقوں، اور ماحولیاتی تحفظ کی کوششوں بشمول درخت لگانے کی کوششوں کے ذریعے پرعزم ہے۔

بورڈ سماجی ذمہ داری، ملازمین کی فلاح و بہبود اور کمیونٹی کی ترقی پر بھی زور دیتا ہے، خاص طور پر ڈیرہ غازی خان پلانٹ کے آس پاس، اور سال کے دوران کمپنی نے مختلف کارپوریٹ سماجی ذمہ داری کے اقدامات جاری رکھے جن میں مقامی ٹیلنٹ کی ترقی، خصوصی ضروریات رکھنے والے افراد کی روزگار، محفوظ اور صحت مند کام کے حالات کو فروغ دینا، صنعتی تعلقات کو مضبوط بنانا، صارفین کا تحفظ اور کاروباری اخلاقیات کے اعلیٰ معیار کی پابندی شامل ہیں۔ جس کی تفصیلات اس سالانہ رپورٹ کے حصے کے طور پر پائیداری رپورٹ میں فراہم کی گئی ہیں۔

بورڈ اس بات کو یقینی بناتا ہے کہ تنوع، مساوات اور شمولیت (DE&I) کو فروغ دینے والی پالیسیاں اور طریقہ کار صنفی طور پر مرکزی دھارے میں لانے کی حوصلہ افزائی کریں، صنفی مساوات کو فروغ دیں اور بورڈ، انتظامیہ اور ورک فورس میں خواتین کی شرکت کو فروغ دیں، جبکہ ایک منصفانہ، جامع اور غیر امتیازی کام کا ماحول بھی فروغ دیا جائے۔ بورڈ مزید اس بات کو یقینی بناتا ہے کہ کمپنی کی پائیداری اور DE&I سے متعلق حکمت عملیاں، ترجیحات اور اہداف، نیز ان مقاصد کے خلاف کارکردگی کا وقتاً فوقتاً جائزہ لیا جائے اور مانیٹر کیا جائے، اور پائیداری کے معاملات کی نگرانی بورڈ آڈٹ کمیٹی کو سونپی ہے جو پائیداری سے متعلق خطرات اور مواقع کی نگرانی کرتی ہے، متعلقہ قوانین و ضوابط کی تعمیل کی نگرانی کرتی ہے اور متعلقہ انکشافات کی مناسبیت کا جائزہ لیتی ہے۔

صنفی اجرت کے فرق کا انکشاف

SECP سرکلر 10 آف 2024 کے مطابق، 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے صنفی اجرت کا فرق درج ذیل طور پر حساب کیا گیا ہے:

- اوسط صنفی اجرت کا فرق: 11.30٪
- درمیانی صنفی اجرت کا فرق: 11.24٪

کاروبار کی نوعیت

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

رجسٹرڈ دفتر کی تبدیلی

اس مدت کے دوران، کمپنی نے اپنا رجسٹرڈ دفتر صوبہ سندھ سے پنجاب صوبہ یعنی کراچی سے لاہور منتقل کر دیا، اور اس کے نتیجے میں اس کے میمورنڈم آف ایسوسی ایشن میں ترامیم کی گئیں۔ اس تبدیلی کو اراکین نے 4 نومبر 2025 کو ہونے والی غیر معمولی جنرل میٹنگ میں خصوصی کاروبار کے طور پر منظور کیا۔

تبدیلی کا منصوبہ

کمپنی نے اپنے طویل مدتی تبدیلی کے ایجنڈے کو نظم و ضبط، توجہ اور حکمت عملی کی وضاحت کے ساتھ نافذ کرنے میں ثابت قدم رکھا۔ گزشتہ سالوں میں حاصل کردہ بنیادی صلاحیتوں کی بنیاد پر، کمپنی نے اب اپنی توجہ مکمل پیمانے پر عمل درآمد اور تمام بنیادی شعبوں میں آپریشنل عمدگی کی طرف منتقل کر دی ہے۔ یہ سوچ سمجھ کر حکمت عملی اس بات کو یقینی بناتی ہے کہ ہر اقدام ہمارے پائیدار ترقی کے مجموعی وژن کے مطابق ہو۔

سال کے دوران، کمپنی نے ایک مخصوص ریسرچ اینڈ ڈیولپمنٹ سینٹر قائم کیا، جس کا مقصد مصنوعات کی جدت کو ادارہ جاتی بنانا اور بدلتی ہوئی صارفین کی ضروریات کے مطابق ہماری ردعمل کو بڑھانا ہے۔ یہ سہولت نہ صرف ہماری تکنیکی صلاحیتوں کو مضبوط کرتی ہے بلکہ ہمیں مارکیٹ کے رجحانات کا اندازہ لگانے اور ایسے حل فراہم کرنے کے قابل بناتی ہے جو متعلقہ اور منفرد ہوں۔ اسی دوران، کمپنی نے اپنی مینوفیکچرنگ جدید کاری کے پروگراموں کو تیز کیا، جدید پیداواری ٹیکنالوجیز اور عمل میں بہتری کو نافذ کیا تاکہ کارکردگی بڑھائی جا سکے، معیار کو بہتر بنایا جا سکے، اور آپریشنل لچک کو مضبوط کیا جا سکے۔

مجموعی طور پر، یہ اقدامات صرف معمولی بہتری سے کہیں زیادہ ہیں؛ یہ ساختی اور اسٹریٹجک سرمایہ کاری ہیں۔ مسابقت کو بڑھانے، منافع کی حفاظت کرنے، اور قابل توسیع آپریشنل فریم ورک بنانے کے ذریعے، کمپنی خود کو درمیانی اور طویل مدت میں پائیدار اور منافع بخش ترقی کے لیے تیار کر رہی ہے۔ یہ اقدامات ہمارے عزم کو اجاگر کرتے ہیں کہ ہم ایک مضبوط تنظیم بنائیں جو مارکیٹ کی غیر یقینی صورتحال کو عبور کرنے کے ساتھ ساتھ زرعی اور ادارہ جاتی شعبوں میں ابھرتے ہوئے مواقع کو حاصل کر سکے۔

ادائیگیوں میں ناکامی، قرض/ قرض، ٹیکس اور لیویز

کمپنی، کارپوریٹ گورننس کے اعلیٰ معیار کی پابندی کرتے ہوئے، تمام مالی ذمہ داریوں کی بروقت ادائیگی کو یقینی بنانے کی اپنی ذمہ داری کو تسلیم کرتی ہے۔ جائزہ سال کے دوران، کسی بھی قرض یا قرض کی ادائیگی میں کوئی ڈیفالٹ نہیں ہوا۔ مزید برآں، مالی سال کے اختتام تک، تمام ٹیکس، محصولات اور لیویز باقاعدہ طور پر ادا کر دیے گئے ہیں، بغیر کسی بقایا یا بقایا رقم کے، سوائے اس کے جو ان مالیاتی بیانات میں مناسب طور پر ظاہر کی گئی ہو۔

بعد کے واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر کوئی اہم تبدیلی یا وعدہ نہیں ہوا، سوائے اس کے جو یہاں ظاہر کیا گیا ہو۔

اندرونی کنٹرولز کی کفایت

بورڈ آف ڈائریکٹرز مضبوط داخلی کنٹرول ماحول کو برقرار رکھنے کی اپنی ذمہ داری کو تسلیم کرتا ہے اور ایک جامع فریم ورک نافذ کیا ہے تاکہ آپریشنل کارکردگی کو یقینی بنایا جا سکے، کمپنی کے اثاثوں کی حفاظت کی جا سکے، متعلقہ قوانین اور ضوابط کی پابندی کی جا سکے اور قابل اعتماد مالیاتی رپورٹنگ فراہم کی جا سکے۔ آزاد داخلی آڈٹ فنکشن باقاعدگی سے مالی کنٹرولز کی مؤثریت کا جائزہ لیتا اور نگرانی کرتا ہے، جبکہ آڈٹ کمیٹی داخلی کنٹرول فریم ورک اور مالیاتی بیانات دونوں کا سہ ماہی جائزہ لیتی ہے۔ اس کے علاوہ، کمپنی نے ایک مخصوص رسک مینجمنٹ فنکشن قائم کیا ہے تاکہ ادارے بھر میں خطرے کی نگرانی کی جا سکے اور ممکنہ خطرات کی پیشگی کمی کو یقینی بنایا جا سکے۔

مستقبل کی ترقی اور نقطہ نظر

کمپنی اپنی مارکیٹ پوزیشن کو مضبوط کرنے کے لیے اعلیٰ ہارس پاور سیگمنٹس پر اسٹریٹجک توجہ مرکوز کرتی ہے، جس کی بنیاد تحقیق و ترقی میں مسلسل سرمایہ کاری ہے تاکہ مصنوعات کے معیار، کارکردگی، اور جدت کو بہتر بنایا جا سکے۔ اس عزم کے مطابق، کمپنی بدلتے ہوئے صارفین کی ضروریات کو پورا کرنے کے لیے نئے ماڈلز متعارف کروا رہی ہے، جو تکنیکی طور پر جدید اور قابل اعتماد حل فراہم کرنے کے عزم کو مزید ظاہر کرتی ہے۔ ان کوششوں کو منظم وینڈر ڈیولپمنٹ پروگرامز سے مکمل کیا جاتا ہے، جو مصنوعات کی قابل اعتمادی، پائیداری، اور مجموعی صارف اطمینان کو بڑھاتے ہیں۔

اسی دوران، کمپنی کے برآمدی کاروبار کی توسیع ایک اہم اسٹریٹجک ترجیح ہے، جو آمدنی کے ذرائع میں تنوع کو ممکن بناتی ہے اور ملکی مارکیٹ سائیکلز پر انحصار کو کم کرتی ہے۔ بہتر تحقیق و ترقی کی صلاحیتوں اور اعلیٰ معیار کی مصنوعات سے فائدہ اٹھاتے ہوئے، کمپنی بین الاقوامی مارکیٹوں میں مواقع حاصل کرنے اور حکومت و ادارہ جاتی طلب میں متوقع ترقی سے فائدہ اٹھانے کے لیے بہترین پوزیشن میں ہے۔ کمپنی کی ترجیح اب بھی واضح ہے: مستقل معیار فراہم کرنا، مالی مضبوطی برقرار رکھنا، اور اپنی اسٹریٹجک اہداف کی منظم اور مرکوز تکمیل کے ذریعے طویل مدتی مضبوطی کو فروغ دینا۔

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 حوالے سے درج ذیل بیانات دیے گئے ہیں:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالی بیانات اس کی حالت، آپریشنز کے نتائج، نقد بہاؤ، اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- مالیاتی بیانات میں ظاہر کی گئی اکاؤنٹنگ پالیسیاں مالیاتی بیانات کی تیاری میں مستقل طور پر لاگو کی گئی ہیں۔ اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہوتے ہیں۔
- پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ معیارات ان مالیاتی بیانات کی تیاری میں اپنائے گئے ہیں۔
- کمپنی نے پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کی مکمل پابندی کی ہے۔
- ڈائریکٹرز، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ، کمپنی سیکرٹری، اور ان کے شریک حیات اور نابالغ بچوں نے سال کے دوران کمپنی کے شیئرز میں تجارت نہیں کی، سوائے اس کے کہ PSX ریگولیشنز اینڈ

ذیل میں ان افراد کے نام ہیں جنہوں نے مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹرز / سی ای او کے طور پر خدمات انجام دیں:

.1	مسٹر رابرٹ میکالسٹر	نان ایگزیکٹو ڈائریکٹر
.2	مسٹر دمتری بوگاتیریف	نان ایگزیکٹو ڈائریکٹر
.3	مسٹر ملک احتشام اکرام	نان ایگزیکٹو ڈائریکٹر
.4	مسٹر پال ویگ اسٹاف	نان ایگزیکٹو ڈائریکٹر
.5	مسٹر مارکو ووٹا	نان ایگزیکٹو ڈائریکٹر
.6	مسٹر ونسنٹ ڈی لا سین	نان ایگزیکٹو ڈائریکٹر
.7	مسٹر میتھیو سیجورنے	نان ایگزیکٹو ڈائریکٹر
.8	مسٹر شاہد تور	آزاد ڈائریکٹر
.9	مسٹر ملک مرزا	آزاد ڈائریکٹر
.10	محترمہ سمیحہ زاہد	آزاد ڈائریکٹر
.11	مسٹر ساقب الطاف	سی ای او

جائزہ کے دوران، مسٹر پال ویگ اسٹاف کو مسٹر ملک احتشام اکرم کی جگہ نان ایگزیکٹو ڈائریکٹر مقرر کیا گیا۔

31 دسمبر 2025 کو ختم ہونے والے سال کے بعد، مسٹر یاسین سیکر کو 1 جنوری 2026 سے چیف ایگزیکٹو آفیسر مقرر کیا گیا، جو مسٹر ساقب الطاف کی جگہ ہیں۔ مزید بر آں، مسٹر امبرٹو بوچی کو 23 جنوری 2026 سے مسٹر مار کو ووٹا کی جگہ نان ایگزیکٹو ڈائریکٹر مقرر کیا گیا۔

بورڈ پر صنفی تنوع:

a)	مرد	9
b)	خاتون	1

بورڈ پر عملی تنوع:

a)	نان ایگزیکٹو ڈائریکٹرز	6
b)	آزاد ڈائریکٹرز	3
c)	ایگزیکٹو ڈائریکٹرز	1

کمیٹیاں

بورڈ نے تین کمیٹیاں تشکیل دی ہیں، جن میں درج ذیل ارکان شامل ہیں:

(الف) آڈٹ کمیٹی

مسٹر ملک مرزا	کمیٹی چیئر مین
مسٹر امبرٹو بوچی	رکن
مسٹر پال ویگ اسٹاف	رکن

(ب) ہیومن ریسورسز اور معاوضہ کمیٹی

محترمہ سمیحہ زاہد	کمیٹی چیئر پرسن
مسٹر امبرٹو بوچی	رکن
مسٹر پال ویگ اسٹاف	رکن
مسٹر یاسین سیکر	رکن

31 دسمبر 2025 کو ختم ہونے والے سال کے بعد، مسٹر یاسین سیکر کو مسٹر ساقب الطاف کی جگہ ہیومن ریسورسز اینڈ ریمونریشن کمیٹی کا رکن مقرر کیا گیا، جو یکم جنوری 2026 سے نافذ العمل ہے۔ مزید بر آں، مسٹر امبرٹو ایمیلیانو بوچی کو 26 جنوری 2026 سے مسٹر مار کو ووٹا کی جگہ آڈٹ کمیٹی اور ہیومن ریسورسز و معاوضہ کمیٹی کے رکن کے طور پر مقرر کیا گیا۔

بورڈ نے 26 جنوری 2026 کو اپنے اجلاس میں بورڈ ٹکنیکل کمیٹی کو ٹکنیکل ایگزیکٹو کمیٹی میں تبدیل کر دیا ہے جس کے درج ذیل اراکین ہیں:

(ج) ٹیکنیکل کمیٹی

مسٹر شاہد تور	کمیٹی چیئر مین
مسٹر رابرٹ میکالسٹر	رکن
مسٹر میتھیو سیجورنے	رکن
مسٹر ونسنٹ ڈی لا سین	رکن
مسٹر مارکو جربی	رکن
مسٹر پال ویگ اسٹاف	رکن
مسٹر دمتری بوگاتیریف	رکن

ڈائریکٹرز کی تنخواہ

بہترین ٹیلنٹ کو بر قرار رکھنے کے لیے، کمپنی کی معاوضے کی پالیسیاں صنعت کے موجودہ رجحانات اور کاروباری طریقوں کے مطابق ترتیب دی جاتی ہیں۔ کمپنی نے ڈائریکٹرز کی معاوضے کی پالیسی کی منظوری دی ہے۔ معاوضے کی پالیسی اور کارپوریٹ گورننس کے ضابطے کے مطابق، یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنی معاوضے کے فیصلے میں خود حصہ نہ لے۔ کمپنی غیر ایگزیکٹو ڈائریکٹرز کو اجلاسوں میں شرکت کے لیے صرف آزاد ڈائریکٹرز کو معاوضہ دیتی ہے۔

کمپنی کے کوئی ایگزیکٹو ڈائریکٹر نہیں ہیں سوائے سی ای او کے۔

براہ کرم ڈائریکٹرز اور چیف ایگزیکٹو کی تنخواہوں کی تفصیلات کے لیے Financial Statements کے نوٹ 36 کا حوالہ دیں۔

سال کے لیے فیس کے حوالے سے منافع یا نقصان کے بیان کے لیے مجموعی رقم 6.19 ملین روپے (2024: 7.91 ملین روپے) تھی۔

ڈائریکٹرز کی تنخواہ، مراعات، فوائد اور فیس کی بنیاد پر معاوضہ پیکیج یہ ہے:

چیف ایگزیکٹو آفیسر	1.83 ملین روپے
ایگزیکٹو ڈائریکٹر	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 مقداری اور معیاری معیار پر مبنی ہوتا ہے۔ اس میں کاروبار کی کارکردگی، منافع

ڈائریکٹرز رپورٹ

برائے 31 دسمبر 2025 کو ختم ہونے والا سال

الغازی ٹریکٹرز لمیٹڈ ("کمپنی" یا "AGTL") کے ڈائریکٹرز یہ اعزاز محسوس کرتے ہیں کہ وہ کمپنی کی سالانہ رپورٹ پیش کررہے ہیں، جس کے ساتھ سال ختم شدہ 31 دسمبر 2025 کے لیے کمپنی کے آڈٹ شدہ مالی بیانات بھی شامل ہیں۔

آپریٹنگ نتائج

جائزہ لیے گئے سال کے دوران کمپنی کے مالی نتائج درج ذیل ہیں:

	2025	2024
	(روپے 000 میں)	
فروخت	20,371,056	34,574,430
مجموعی منافع	5,164,884	8,434,686
قبل از ٹیکس اور لیوی منافع	2,176,597	5,708,700
ٹیکس	(875,784)	(2,164,199)
بعد از ٹیکس منافع	1,300,813	3,542,275
دیگر مجموعی آمدن	37,012	(125,587)
کل آمدن	1,337,825	3,416,688

ڈیویڈنڈ اور جنرل ریزرو

برائے سال ختم شدہ 31 دسمبر 2025، بورڈ نے اپنی میٹنگ مورخہ 17 مارچ 2026 میں فی شیئر کوئی کیش ڈیویڈنڈ نہ دینے کی تجویز دی، جو کہ کل رقم کے لحاظ سے بھی صفر ہے۔ کمپنی کے تبدیلی کے سفر کو تیز کرنے کے لیے، بورڈ نے فیصلہ کیا ہے کہ منافع کو ڈیویڈنڈ کے طور پر تقسیم کرنے کے بجائے کمپنی میں برقرار رکھا جائے۔ اس نقطۂ نظر سے مصنوعات میں جدت، آپریشنز کی جدید کاری، اور ٹیکنالوجی کے نفاذ میں اسٹریٹیجک سرمایہ کاری ممکن ہوگی، جو آنے والے سالوں میں کمپنی کو پائیدار ترقی کے لیے بہتر پوزیشن فراہم کرے گی۔ تبدیلی پروگرام کی مزید تفصیلات اس رپورٹ میں فراہم کی گئی ہیں۔

فی شیئر آمدنی

بنیادی آمدنی فی شیئر 2025 میں 22.44 روپے تھی، جبکہ 2024 میں یہ 61.11 روپے تھی۔

معاشی پس منظر

سال 2025 میں پاکستان کا اقتصادی منظرنامہ مثبت رہا، جو ایک پرامید اقتصادی مستقبل اور مضبوط میکرو اکنامک بنیادوں کی عکاسی کرتا ہے۔ مہنگائی قابو میں رہی اور دسمبر 2024 میں 4.1٪ سے بڑھ کر دسمبر 2025 میں 5.6٪ تک پہنچ گئی، جس کی وجہ برآمدات میں اضافہ، بیرون ملک ترسیلات، زرمبادلہ کے ذخائر میں بہتری، اور سہولت فراہم کرنے والی پالیسی کا نفاذ تھا۔ پالیسی شرح سود کو دسمبر 2024 میں 13٪ سے کم کر کے دسمبر 2025 میں 10.5٪ کیا گیا۔

اس کے برعکس، ٹریکٹر کی صنعت نے ایک مشکل ماحول کا سامنا کیا، جس میں کل فروخت سالانہ بنیادوں پر 38٪ کمی کے ساتھ 24,724 یونٹس تک گر گئی، جبکہ پچھلے سال یہ 39,897 یونٹس تھی۔ اس کمی کی بنیادی وجوہات میں کسانوں کی کمزور معیشت، فصلوں کی قیمتوں میں کمی، اور زرعی پیداوار میں کمی شامل ہیں، جنھیں حکومت کے گندم خریداری اسکیم کے خاتمے نے مزید بڑھا دیا، جس سے کسانوں کی لیکویڈیٹی محدود ہوئی۔ بارشوں کے دوران آنے والے سیلاب سمیت ناموافق موسمی حالات نے بھی فصلوں اور کاشت شدہ زمین پر اثر ڈالا، جبکہ خطے میں جاری جغرافیائی سیاسی غیر یقینی صورتحال نے صنعت کے لیے چیلنجز کو مزید بڑھایا۔ ان تمام عوامل نے مارکیٹ کی طلب میں نمایاں کمی کا سبب بنایا، اور یہ دور حالیہ صنعت کی تاریخ کے سب سے مشکل ادوار میں سے ایک رہا۔

اگرچہ مارکیٹ کا ماحول چیلنجنگ رہا، کمپنی نے ادارہ جاتی شعبے میں اپنی موجودگی کو فعال طور پر بڑھا کر لچک برقرار رکھی۔ سال کے دوران، کمپنی نے حکومت پنجاب کی گندم ٹریکٹر اسکیم کے تحت 1,000 یونٹس کے HP 55 ٹریکٹرز کے لیے ٹینڈر کامیابی سے حاصل کیا۔ مزید برآں، گرین ٹریکٹر اسکیم کے تحت، سال کے دوران دو ٹریکٹر سپورٹ اقدامات متعارف کرائے گئے، جن کے تحت کل 19,500 سبسڈی یافتہ ٹریکٹر فراہم کیے گئے، جن میں 9,500 ہائی ہارس پاور (HHP) ٹریکٹرز (HP 75 سے اوپر) اور 10,000 میڈیم ہارس پاور (MHP) ٹریکٹرز (HP 75 سے کم) شامل ہیں۔ کمپنی نے HHP سیکشن میں 39٪ مارکیٹ شیئر حاصل کیا۔ MHP سیکشن کے لیے بالاٹنگ مالی سال کے اختتام کے بعد کی گئی، جس میں کمپنی نے 4,568 ٹریکٹرز کے آرڈرز حاصل کیے، جو MHP سیکشن کا 45.68٪ شیئر نمائندگی کرتا ہے۔

کارکردگی کی جھلکیاں

چیلنجنگ کاروباری ماحول کے باوجود، AGTL نے سال 2025 میں 7,739 ٹریکٹرز فروخت کیے، جبکہ پچھلے سال اسی مدت میں یہ تعداد 14,269 ٹریکٹرز تھی، جس سے فروخت کا کل ریونیو 20.371 ارب روپئے رہا، جو پچھلے سال کے 34.574 ارب روپئے کے مقابلے میں کم ہے۔

جائزہ لیے گئے سال کے لیے مجموعی منافع 5.164 ارب روپئے رہا، جو پچھلے سال کے 8.434 ارب روپئے کے مقابلے میں 39٪ کی کمی کو ظاہر کرتا ہے۔ ٹیکس اور محصول سے پہلے منافع 31 دسمبر 2025 کو 2.177 ارب روپئے رہا، جو پچھلے سال کے 5.709 ارب روپئے کے مقابلے میں 62٪ کمی کی عکاسی کرتا ہے۔

سال ختم ہونے پر ٹیکس کے بعد منافع 1.301 ارب روپئے رہا، جبکہ پچھلے سال یہ 3.542 ارب روپئے تھا، جو 63٪ کی کمی ظاہر کرتا ہے۔ اس کے نتیجے میں فی شیئر آمدنی 22.44 روپئے رہی۔

سال کے دوران ریونیو اور منافع میں کمی بنیادی طور پر ٹریکٹر کی صنعت کے چیلنجنگ کاروباری ماحول کی وجہ سے ہوئی، جیسا کہ اس رپورٹ میں پہلے بیان کیا جا چکا ہے۔

سالانہ رپورٹ میں اجاگر کیے گئے "اہم آپریٹنگ اور مالی ڈیٹا" اور "مالی بیانات کا افقی و عمودی تجزیہ" کمپنی کی مضبوط کارکردگی اور مالی حیثیت کا ثبوت دیتے ہیں۔

تخصیصات

اس سال کے لیے غیر مختص منافع کا بیان درج ذیل ہے:

	2025	2024
	(روپے 000 میں)	
غیر مختص منافع - سامنے لایا گیا	8,907,092	5,490,404
سال کی کل آمدنی	1,337,825	3,416,688
جنرل ریزرو سے غیر مختص منافع کی طرف منتقلی	-	-
مختص کرنے کے لیے دستیاب رقم	10,244,917	8,907,092
اپروپری ایشن:		
ڈیویڈنڈ کی ادائیگی	-	-
غیر مختص منافع – آگے بڑھایا گیا	10,244,917	8,907,092

چیئرمین کا جائزہ

ڈائریکٹرز سالانہ رپورٹ میں شامل چیئرمین کے جائزے کے مواد کی مکمل حمایت کرتے ہیں۔

بورڈ کا ڈھانچہ

اس رپورٹ پر دستخط کے وقت تک، بورڈ آف ڈائریکٹرز میں درج ذیل دس ارکان شامل ہیں جن میں سی ای او بھی شامل ہیں:

1. مسٹر رابرٹ میکالسٹر — نان ایگزیکٹو ڈائریکٹر
2. مسٹر دمتری بوگاتیریف — نان ایگزیکٹو ڈائریکٹر
3. مسٹر پال ویگ اسٹاف — نان ایگزیکٹو ڈائریکٹر
4. مسٹر امبرٹو بوچی — نان ایگزیکٹو ڈائریکٹر
5. مسٹر ونسنٹ ڈی لا سین — نان ایگزیکٹو ڈائریکٹر
6. مسٹر میتھیو سیجورنے — نان ایگزیکٹو ڈائریکٹر
7. مسٹر شاہد تور — آزاد ڈائریکٹر
8. مسٹر ملک مرزا — آزاد ڈائریکٹر
9. محترمہ سمیحہ زاہد — آزاد ڈائریکٹر
10. مسٹر یاسین سیکر — سی ای او

02

Sustainability and Corporate Social Responsibility

CEO's Message
on Sustainability Strategy & Business Growth

2025 was a year that tested our discipline as an organization. We operated in a competitive and price-sensitive market where demand remained structured and margins required careful management. Instead of reacting to short-term pressures, we focused on strengthening how we operate. The emphasis this year was on cost control, process efficiency, governance clarity, and long-term capability building.

One of the defining moments of the year was our performance under the Chief Minister Punjab High Horsepower Green Tractor Scheme. Achieving 39 percent farmer preference in a structured allocation program reflected strong coordination across Commercial, Marketing, Aftersales, and our field teams. It also reinforced the confidence farmers place in our product platforms.

Inside the plant, the shift toward continuous flow production improved efficiency and increased operational capacity through better process design and disciplined execution. Quality systems were strengthened, supplier performance improved, and inspection coverage expanded. These initiatives enhanced reliability, reduced waste, and materially improved how we deliver to our customers.

We also continued advancing Project Falcon through SAP S4HANA. Bringing SAP consulting capability in-house was a deliberate move to build internal digital competence and reduce reliance on external partners. This strengthens our responsiveness and control as we scale.

Governance and risk management received equal attention. We formalized our Risk Register, introduced Risk Champions across departments, and established a Crisis Committee to improve preparedness. These structures position us to manage uncertainty with greater clarity.

At the same time, we invested in our people. Programs such as Unite and Ignite, Nashist-e-Khas sessions, and expanded technical training reinforced collaboration and accountability. Culture is not built through slogans but through repeated behavior. This year, we saw that shift beginning to take hold.

Publishing our first standalone Sustainability Report was another important step. It signals our commitment to structured ESG disclosure and responsible growth.

The environment ahead will continue to demand discipline. We will focus on competitiveness, operational strength, product capability, and sustainable expansion. The foundations strengthened in 2025 give us confidence as we move forward.

I thank our employees, dealers, suppliers, shareholders, and partners for their commitment and trust. Progress this year was collective.

Yasin Seker
Chief Executive Officer

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 Governance and ESG Framework

BOARD COMMITMENT TO RESPONSIBLE AND SUSTAINABLE GROWTH

The Board of Directors remains committed to the adoption of Corporate Social Responsibility best practices and the continuous improvement of sustainability governance across the Company. Sustainability considerations are integrated into strategic planning, operational execution, capital allocation, and risk management processes.

The Board exercises oversight through structured reporting mechanisms, periodic review of sustainability-related risks, and monitoring of mitigation progress under the Company's Enterprise Risk Management framework. This ensures that ESG practices remain relevant, effective, and aligned with evolving business strategy and regulatory expectations.

The Company recognizes that long-term financial performance is intrinsically linked to responsible governance, environmental stewardship, operational discipline, and social responsibility throughout its value chain.

STRATEGIC ESG OBJECTIVES AND ALIGNMENT WITH IFRS S1 AND IFRS S2

AGTL aligns its sustainability reporting approach with the principles of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). Sustainability-related risks and opportunities that may impact financial performance in the short, medium, and long term are identified through the Company's Enterprise Risk Management framework and integrated into decision-making processes.

SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability oversight forms part of the Company's overall governance structure. The Board of Directors maintains oversight of the Company's risk profile, including sustainability-related risks, through periodic reviews of the Enterprise Risk Register.

Management-level accountability is embedded across functions including Manufacturing, Procurement, Commercial, HSSE, IT, HR, and Internal Audit. Risk ownership is formally assigned within each department, reinforcing accountability and cross-functional coordination.

Internal Audit provides independent assurance on the effectiveness of internal controls, while the Process & Compliance function ensures structured documentation, monitoring, and governance discipline.

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

Through the Enterprise Risk Management framework, AGTL identifies sustainability-related risks and opportunities across strategic, operational, financial, environmental, and market dimensions.

SHORT-TERM RISKS AND OPPORTUNITIES

- Agricultural demand volatility linked to climate variability
- Policy-driven subsidy schemes affecting sales cycles
- Supply chain disruptions and component availability
- Exchange rate fluctuations impacting cost structure

These factors may influence revenue, working capital requirements, and operating margins.

MEDIUM-TERM RISKS AND OPPORTUNITIES

- Evolving emission and environmental regulations
- Technological shifts requiring product upgrades
- Increasing customer preference for fuel-efficient equipment
- Export market development requirements

These may impact capital expenditure, product development investment, and competitive positioning.

LONG-TERM RISKS AND OPPORTUNITIES

- Climate-related physical risks affecting crop patterns and mechanization demand
- Transition risks associated with environmental policy changes
- Energy price escalation and resource constraints
- Expansion into export markets for revenue diversification

These influence long-term portfolio strategy, supply chain configuration, and resilience planning.

Climate-Related Risks and Opportunities (IFRS S2)

AGTL recognizes climate-related risks in two primary categories:

PHYSICAL RISKS

Extreme weather events and shifting crop patterns may affect agricultural output and tractor demand. Infrastructure exposure to floods, heatwaves, and power disruptions may impact operational continuity.

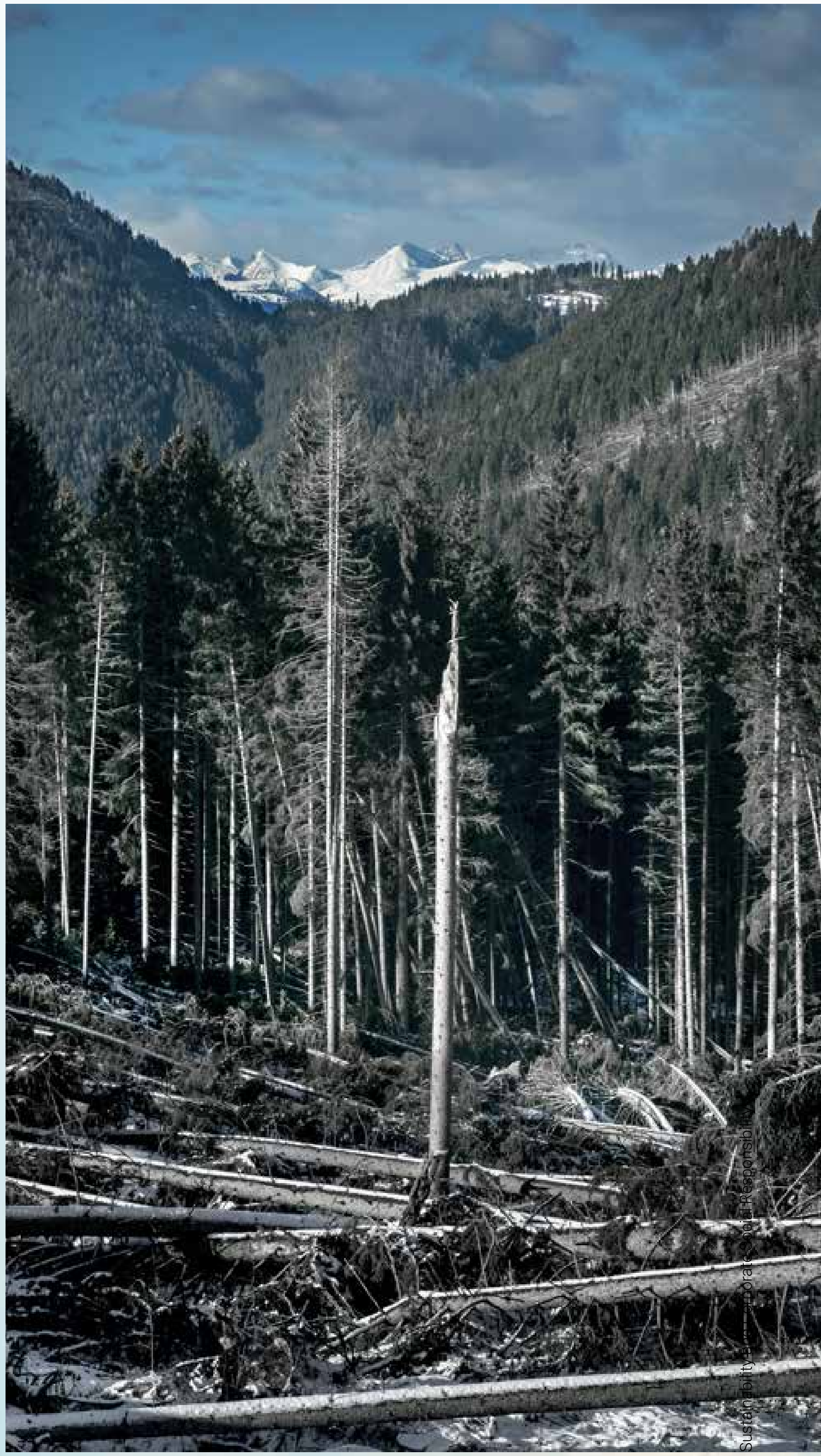
TRANSITION RISKS

Regulatory changes, emission standards, and evolving environmental compliance requirements may require product upgrades, investment in R&D, and operational adjustments.

CLIMATE-RELATED OPPORTUNITIES

Growing demand for fuel-efficient tractors, government-backed mechanization schemes, and export expansion into emerging agricultural markets present opportunities for sustainable revenue growth.

Climate-related risks are monitored through periodic risk register reviews, operational assessments, and consultation with departmental leadership. Engineering and R&D initiatives support adaptation through fuel optimization, emission readiness, and product durability enhancement.



Sustainability Across the Value Chain

In line with IFRS S1 guidance, AGTL evaluates sustainability-related impacts across its value chain.

UPSTREAM – SUPPLIERS

- Structured vendor evaluation framework covering 217 suppliers
- Supplier performance improvement from 71 percent to 85 percent
- Vendor development programs to reduce rejection and material waste

OPERATIONS – MANUFACTURING

- Lean manufacturing initiatives reducing rework and scrap
- More than 20 million components were inspected based on an Acceptable Quality Levels (AQL) Sampling plan, in accordance with MIL-STD-105E
- 8,000 plus tractors covered under quality systems
- Structured environmental monitoring of air, emissions, wastewater, and noise

DISTRIBUTION AND DEALERS

- 39.24 percent market share under the High Horsepower Green Tractor Scheme
- 3,728 NH tractors selected under GTS
- Structured dealer performance reviews and regional activation

CUSTOMER USE PHASE

- Fuel-efficient tractor design
- Aftersales preventive maintenance training
- 250 plus mechanics trained under MITA Lift programs

END-OF-LIFE AND WASTE MANAGEMENT

- Transparent scrap auction processes generating PKR 61.71 million
- Structured waste management and environmental compliance oversight

This integrated approach reduces waste, strengthens resilience, and enhances lifecycle efficiency.

The ESG Framework

GOVERNANCE

Board oversight of risk and sustainability performance through ERM reviews and structured reporting. Clear risk ownership assigned at departmental levels.

STRATEGY

Sustainability embedded into product design, Lean manufacturing, responsible sourcing, digital transformation, workforce development, and market expansion.

RISK MANAGEMENT

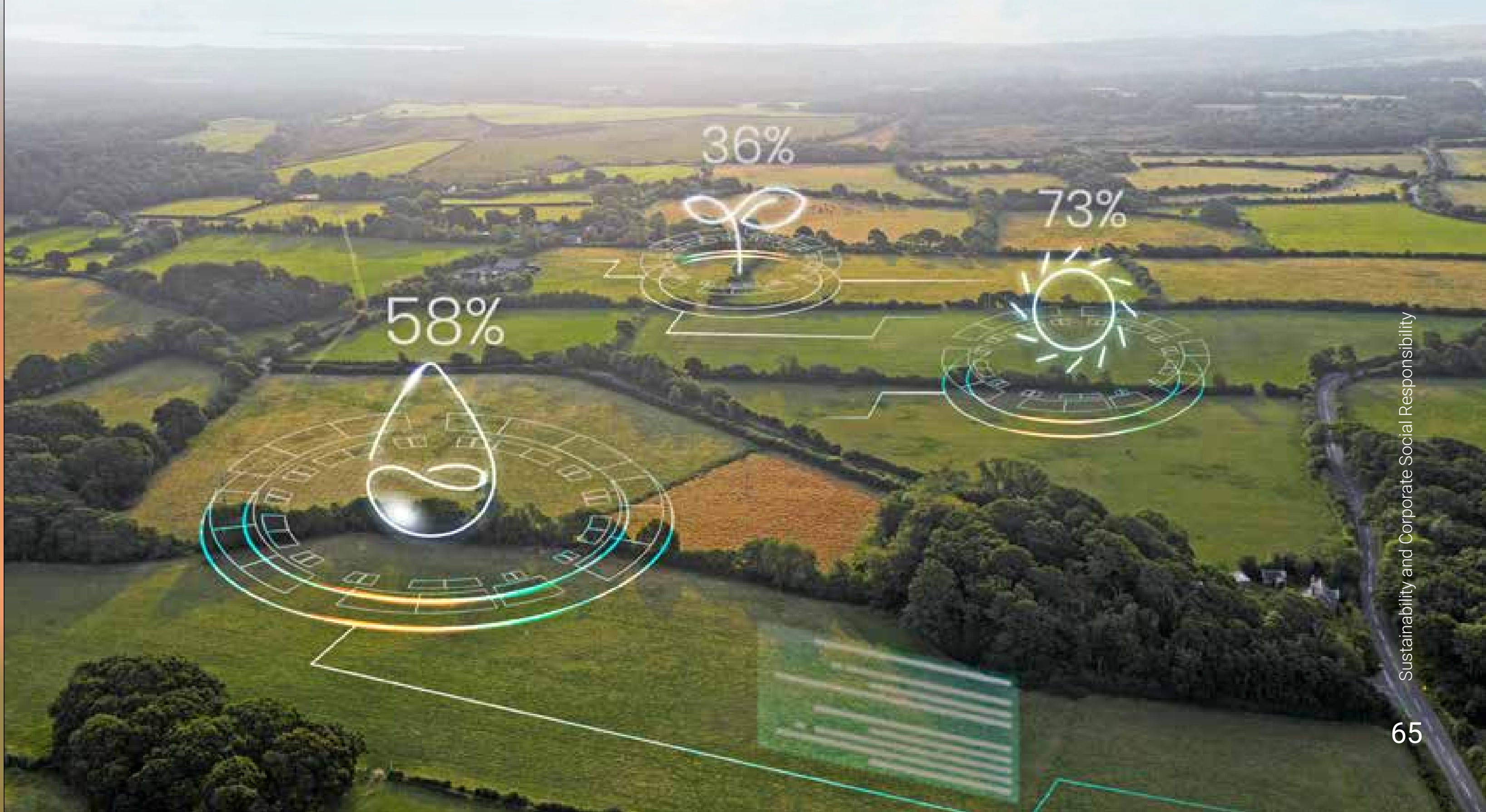
Comprehensive department-wise risk register covering climate change, regulatory exposure, supply chain disruption, cyber risk, political instability, and operational continuity.

METRICS AND PERFORMANCE

Key ESG-linked performance indicators during 2025 include:

- 39.24 percent HHP Green Tractor Scheme market share
- 3,728 NH tractors selected under GTS
- More than 20 million components were inspected based on an Acceptable Quality Levels (AQL) Sampling plan, in accordance with MIL-STD-105E
- 8,000 plus tractors under QA coverage
- Supplier performance improved from 71 percent to 85 percent
- 1,287 employee training hours delivered
- 7,007 patients treated under on-site medical facilities
- 76 audit observations resolved during the year

These metrics demonstrate measurable progress across governance, operational efficiency, workforce development, and commercial performance.



Link Between Sustainability and Financial Performance

Sustainability initiatives directly support financial performance by:

- Reducing waste and rework costs through Lean manufacturing
- Improving supplier quality and lowering material rejection
- Enhancing fuel efficiency and product competitiveness
- Strengthening risk mitigation and operational continuity
- Expanding structured demand capture through government programs
- Improving governance discipline and investor confidence

Sustainable practices therefore serve as enablers of cost discipline, revenue stability, and long-term shareholder value.

CSR Compliance and Certifications

CSR Compliance and Certifications AGTL remains aligned with the Corporate Social Responsibility (Voluntary) Guidelines 2013 issued by SECP. The Company continues to strengthen community health initiatives, workforce development, environmental monitoring, and governance practices consistent with responsible corporate conduct, while maintaining ISO:9001 certification.

Forward Outlook and Targets

Looking ahead, AGTL will continue to embed sustainability considerations into its strategic planning, operational execution, and risk management processes. The Company's forward agenda focuses on strengthening resilience, improving efficiency, and enhancing transparency across its value chain.

In the area of supply chain governance, AGTL will further strengthen supplier performance management frameworks with the objective of continuously improving quality benchmarks and reducing rejection ratios across critical components. Emphasis will remain on vendor development rather than vendor replacement, ensuring long-term capability enhancement, cost efficiency, and waste reduction.

From a market diversification perspective, the Company will continue expanding export market channels beyond existing geographies. This includes structured exploration of new regional opportunities, strengthening export compliance readiness, and developing alternative channels to reduce concentration risk and enhance revenue stability.

In product development, Engineering and R&D efforts will focus on further enhancing fuel efficiency, durability, and emission readiness across tractor platforms. Continued investment in in-house validation capability will support the design of tractors suited to evolving crop patterns, climate variability, and regulatory expectations, thereby strengthening competitive positioning in the high horsepower segment.

Governance and control discipline will remain a priority. The Company aims to maintain zero high-rated audit observations through proactive monitoring, timely remediation, and continuous refinement of internal controls and process frameworks. Risk register reviews and mitigation tracking will continue to be embedded into routine management oversight.

On the environmental front, AGTL will continue to strengthen environmental monitoring and reporting transparency. Emphasis will be placed on improved data capture, enhanced documentation of emissions and waste parameters, and greater visibility of environmental performance indicators to support structured ESG disclosures.

Human capital development will remain a core enabler of sustainable growth. The Company will continue investing in workforce capability enhancement through structured technical training, leadership development initiatives, and cross-functional collaboration programs to support operational excellence and long-term organizational resilience.

Through these priorities, AGTL remains committed to continuously refining its ESG framework in alignment with evolving regulatory requirements, investor expectations, and stakeholder priorities, ensuring that sustainability remains integrated with performance, governance, and long-term value creation.

Alignment with the United Nations Sustainable Development Goals (SDGs)

AGTL continues to align its operational, commercial, and governance priorities with selected United Nations Sustainable Development Goals that are directly linked to its business model, value chain impact, and national development role.

Rather than approaching SDGs as standalone commitments, the Company integrates sustainability into manufacturing efficiency, product design, workforce capability, supply chain discipline, and farmer productivity.

INDUSTRY, INNOVATION AND ECONOMIC GROWTH

SDG 9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

Impact:
During the year, AGTL strengthened industrial capability through:

- Advancement of SAP S/4HANA under Project Falcon
- Establishment of the Research and Development Centre with Engine, PTO, and Transmission test beds
- Lean manufacturing improvements delivering a 30 percent cycle time reduction and 42 percent output increase without additional manpower

These initiatives enhance industrial efficiency, system integration, and long-term manufacturing resilience.

SDG 8
DECENT WORK AND ECONOMIC GROWTH

Impact:
AGTL contributed to employment generation, supplier upliftment, and workforce capability through:

- 1,287 employee training hours
- 3,715 total training man-hours
- Supplier performance improvement from 71 percent to 85 percent across 217 vendors
- Structured dealer and field engagement under the Green Tractor Scheme

These initiatives support economic growth across employees, suppliers, dealers, and rural communities.

RESPONSIBLE PRODUCTION AND CLIMATE READINESS

SDG 12
RESPONSIBLE CONSUMPTION AND PRODUCTION

Impact:
Operational discipline during the year supported responsible resource use through:

- More than 20 million components were inspected based on an Acceptable Quality Levels (AQL) Sampling plan, in accordance with MIL-STD-105E
- Quality assurance coverage across 8,000+ tractors
- Rejection ratio reduction across key component categories
- Structured scrap auctions generating PKR 61.71 million while ensuring transparent disposal

Lean manufacturing and supplier improvement reduced rework, waste, and material loss across the value chain.

SDG 13
CLIMATE ACTION

Impact:
Climate considerations were embedded through:

- Fuel efficiency enhancement in tractor platforms
- Emission readiness supported by R&D validation capability
- Structured environmental monitoring of wastewater, stack emissions, vehicular emissions, and ambient air
- Tree plantation initiatives and waste reduction measures

Climate-related risks continue to be monitored under the Enterprise Risk Management framework.

SDG 6
CLEAN WATER AND SANITATION

Impact:
Monthly monitoring of wastewater and environmental discharge parameters ensured regulatory compliance and responsible water management across plant operations.

AGRICULTURE AND SOCIAL RESPONSIBILITY

SDG 2
ZERO HUNGER

Impact:
Through structured participation in the High Horsepower Green Tractor Scheme, AGTL achieved a 39 percent farmer-preference market share, with 3,728 farmers selecting NH tractors out of 9,500 applicants. Fuel-efficient and performance-validated tractor platforms support improved agricultural productivity and farm-level efficiency.

SDG 3
GOOD HEALTH AND WELL-BEING
Impact:

AGTL strengthened employee and community well-being through:

- 7,007 medical cases treated at on-site facilities
- 37 health and safety awareness sessions
- Public health initiatives including vaccination drives and preventive spraying

AGTL's contribution to the SDGs is grounded in measurable operational performance, disciplined governance, and continuous improvement across its value chain. The Company remains committed to strengthening this alignment as part of its broader ESG integration journey.

03

Strategy and Resource Allocation

Strategic Objectives – AGTL

CORE OBJECTIVES:

- Deliver exceptional customer experience and support to farmers, dealers, and partners.
- Develop innovative and technologically advanced tractors and agricultural solutions tailored to market needs.
- Strengthen governance, compliance, and risk management frameworks to ensure operational resilience.
- Continuously improve manufacturing, supply chain, and service processes to enhance operational efficiency.
- Invest in human capital and position AGTL as an employer of choice in the agricultural machinery sector.

SHORT-TERM OBJECTIVES:

- Enhance customer-centricity across all touchpoints, from sales to after-sales services.
- Expand domestic market share in tractor sales.
- Strengthen dealer and distribution network coverage and efficiency.
- Enhance ESG initiatives in line with sustainability and community development goals.
- Maintain a robust capital base and optimize production and inventory planning.
- Reinforce leadership position in key tractor segments, including High Horsepower (HHP) and Medium Horsepower (MHP) programs.

MEDIUM-TERM OBJECTIVES:

- Maximize long-term shareholder value through sustainable growth and profitability.
- Expand exports to international markets, enhancing foreign exchange contribution.
- Foster innovation in products, services, and digital solutions for agricultural mechanization.

LONG-TERM OBJECTIVES:

- Continuously improve operational efficiency while maintaining high quality and reliability standards.
- Build enduring relationships with farmers, dealers, and stakeholders to ensure brand loyalty and market leadership.

Resource Allocation and Sustainability Strategy

AGTL recognizes that the effective allocation and management of its resources and capitals are central to delivering sustainable growth, creating long-term value, and reinforcing its leadership in the agricultural machinery sector. Our resource strategy is designed to optimize performance, innovation, stakeholder trust, and environmental stewardship, while ensuring alignment with the United Nations Sustainable Development Goals (SDGs).

AGTL's approach to resource allocation is integrated, forward-looking, and outcome-driven, ensuring that financial, human, intellectual, manufactured, social, and natural capitals are strategically invested to meet short, medium and long-term objectives.

Capital	Strategic Plan & Initiatives	Linkage to Sustainability & SDGs
Financial Capital	• Strategic deployment of shareholders' equity, internally generated funds, and long-term financing for manufacturing, R&D, dealer support, and export expansion. • Maintain robust liquidity to manage seasonal demand, government schemes, and market fluctuations. • Invest in technology, process automation, and digital solutions for efficiency.	SDG 8 **Decent Work & Economic Growth:** Supports economic activity and employment creation. SDG 9 **Industry, Innovation & Infrastructure:** Drives industrial growth and innovation.
Human Capital	• Continuous investment in workforce development, training, and leadership programs. • Attract and retain skilled engineers, technicians, and management staff. • Foster diversity, gender equality, and inclusive culture across all levels.	SDG 4 **Quality Education:** Lifelong learning and skill development. SDG 5 **Gender Equality:** Inclusive workforce. SDG 8 **Decent Work & Economic Growth:** Higher productivity and quality employment.
Manufactured Capital	• Maintain world-class manufacturing facilities, machinery, and tooling. • Upgrade production lines for fuel-efficient and high-quality tractors. • Implement process improvements and robust quality assurance systems.	SDG 9 **Industry, Innovation & Infrastructure:** Strengthened industrial capacity. SDG 12 **Responsible Consumption & Production:** Efficient resource use, waste minimization.
Intellectual Capital	• Leverage global technical collaboration with CNH Industrial. • Invest in R&D for innovative tractor designs and sustainable farm solutions. • Enhance knowledge management to capture and share technical expertise across teams.	SDG 9 **Industry, Innovation & Infrastructure:** Fosters innovation. SDG 12 **Responsible Consumption & Production:** Promotes sustainable products.
Social & Relationship Capital	• Strengthen partnerships with suppliers, dealers, customers, regulators, and community stakeholders. • Actively engage in farmer empowerment initiatives and community development programs. • Enhance customer loyalty and brand trust through reliable service and transparent operations.	SDG 2 **Zero Hunger:** Empowering farmers to improve productivity. SDG 11 **Sustainable Cities & Communities:** Community development. SDG 17 **Partnerships for the Goals:** Strengthening multi-stakeholder collaborations.
Natural Capital	• Optimize energy, water, and raw material usage in manufacturing. • Implement environmental management, waste reduction, and carbon footprint mitigation initiatives. • Enhance sustainability through renewable energy adoption and resource-efficient operations.	SDG 6 **Clean Water & Sanitation:** Efficient water use. SDG 7 **Affordable & Clean Energy:** Energy efficiency initiatives. SDG 13 **Climate Action:** Reduce environmental impact. SDG 15 Life on Land: Sustainable use of land and natural resources.

AGTL optimizes the allocation of resources to drive **sustainable growth,** enhance **stakeholder value,** align with the **UN Sustainable Development Goals (SDGs).**

Continuous monitoring of external factors supports operational flexibility, risk management, and sustainable value delivery:

AGTL Capabilities and Sustainable Competitive Advantage

AGTL leverages a unique combination of technical expertise, operational excellence, and stakeholder relationships to maintain a sustainable competitive advantage in the agricultural machinery sector. The Company's integrated capabilities and resources are aligned to create long-term value for farmers, dealers, shareholders, and the broader agricultural ecosystem.

CORE CAPABILITIES AND RESOURCES DRIVING COMPETITIVE ADVANTAGE

1. GLOBAL TECHNICAL COLLABORATION

- AGTL's partnership with CNH Industrial (New Holland) provides access to cutting-edge tractor technology, proprietary manufacturing processes, and continuous product innovation.
- This collaboration enables AGTL to deliver fuel-efficient, high-performance tractors tailored to Pakistan's diverse agricultural needs.

2. MANUFACTURING EXCELLENCE

- State-of-the-art manufacturing plant, production lines, and quality assurance systems ensure superior product reliability and operational efficiency.
- Continuous investment in process optimization and lean manufacturing supports scalability and cost competitiveness.

3. HUMAN CAPITAL AND EXPERTISE

- Highly skilled engineers, technicians, and management professionals form the backbone of AGTL's innovation and operational performance.
- Ongoing training, leadership development, and workforce engagement create a motivated, high-performing organization capable of adapting to market changes.

4. EXTENSIVE DEALER AND SERVICE NETWORK

- AGTL's strong domestic dealer network ensures product accessibility, timely after-sales service, and technical support, fostering brand loyalty and trust.
- Export operations strengthen AGTL's global presence, optimize capacity utilization, and contribute to foreign exchange earnings.

5. FINANCIAL RESILIENCE AND STRATEGIC RESOURCE ALLOCATION

- Robust financial management, working capital optimization, and strategic participation in government schemes (Green Tractor Scheme, Wheat Tractor Program) allow AGTL to manage seasonal demand fluctuations and sustain market share.
- Capital investments are aligned with long-term value creation and support expansion, innovation, and sustainability initiatives.

6. INNOVATION AND INTELLECTUAL CAPITAL

- Continuous R&D investments drive new product development and enhance operational processes.
- Intellectual property, design expertise, and process knowledge provide a barrier to entry for competitors.

7. SUSTAINABILITY AND SOCIAL RESPONSIBILITY

- AGTL integrates environmental management, energy efficiency, and community development into operations, linking business success with societal impact.
- Commitment to UN SDGs (e.g., Zero Hunger, Decent Work, Industry Innovation) strengthens corporate reputation and stakeholder trust.

8. BRAND REPUTATION AND MARKET POSITIONING

- Established as the leading manufacturer of New Holland tractors in Pakistan, AGTL's brand reflects quality, reliability, and innovation, creating strong differentiation in a competitive industry.
- Participation in government subsidy programs and consistent product quality reinforces customer loyalty and market stability.

SUSTAINABLE VALUE CREATION

Through the combination of technical collaboration, manufacturing excellence, skilled workforce, robust dealer network, financial strength, innovation, sustainability focus, and brand reputation, AGTL achieves:

- Enhanced farmer productivity through reliable and high-performance tractors.
- Resilient market presence in both domestic and export markets.
- Operational and financial stability
- Long-term stakeholder value, creating measurable social, economic, and environmental impact.

Strategies to Achieve Objectives and Key Performance Indicators

AGTL monitors and measures performance against strategic objectives using a robust set of Key Performance Indicators (KPIs). These KPIs are designed to capture operational, financial, customer, and sustainability outcomes and are continuously reviewed to ensure their relevance in the evolving agricultural and industrial landscape.

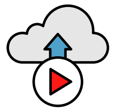
STRATEGIC OBJECTIVES AND KPIS

Strategic Objective	Strategic Initiatives / Plans	Key Performance Indicators (KPIs)	Future Relevance
Deliver superior customer service	• Strengthen dealer network and after-sales support. • Enhance service response times. • Implement customer feedback mechanisms.	• Customer satisfaction score • Service turnaround time-Dealer performance metrics	Remains relevant; customer expectations and loyalty will continue to drive business success.
Develop innovative products	• Expand R&D for fuel-efficient, technologically advanced tractors.	• Number of new products launched • Product adoption rate • Market share in key segments	Highly relevant; continuous innovation ensures competitive advantage and alignment with evolving farmer needs.
Enhance operational efficiency	• Optimize production scheduling. • Reduce inventory and production costs. • Implement lean manufacturing and process automation.	• Production efficiency ratio • Inventory turnover • Manufacturing cost per unit	Remains relevant; operational efficiency is critical to cost competitiveness and profitability.
Strengthen financial performance	• Participate in government subsidy programs (GTS-II, Wheat Tractor Program). • Optimize working capital. • Expand exports and foreign currency revenue streams.	• Revenue growth • Net profit margin • Return on equity (ROE) • Share of sales from government programs and exports	Relevant; financial KPIs reflect business resilience and ability to manage market cycles.
Invest in human capital	• Training and skill development for workforce. • Employee engagement and retention programs. • Leadership development and succession planning.	• Employee satisfaction and retention rate • Training hours per employee • Leadership bench strength	Highly relevant; skilled workforce drives innovation, quality, and long-term competitiveness.
Sustainability and social responsibility	• Implement energy-efficient and eco-friendly manufacturing processes. • Contribute to local communities and UN SDGs (Zero Hunger, Decent Work, Industry Innovation) • Monitor environmental impact.	• Carbon footprint reduction-Waste and water efficiency metrics • Community development initiatives impact	Increasingly relevant; sustainability is essential for stakeholder trust, regulatory compliance, and long-term value creation.
Market leadership and competitiveness	• Expand market share in domestic and export markets. • Track competitor performance and adopt best practices. • Enhance brand positioning through quality, reliability, and innovation.	• Domestic market share • Export sales growth • Brand equity metrics	Continues to be relevant; market leadership ensures strategic resilience and stakeholder confidence.

KPI RELEVANCE

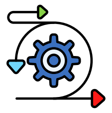
AGTL's KPIs are designed to reflect the link between resources, capabilities, and strategic outcomes, ensuring alignment with both business objectives and stakeholder expectations. The Company regularly reviews and updates KPIs to account for market changes, technological evolution, customer demands, and regulatory requirements. This ensures that short, medium, and long-term indicators remain relevant for sustainable value creation and competitive advantage.

AGTL within the Value Chain



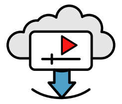
UPSTREAM

Financial Capital
Manufactured Capital
Human Capital
Intellectual Capital



AGTL CORE OPERATIONS

Manufacturing & Assembly
Quality Control
Dealer Network
Governance & Compliance



DOWNSTREAM

Products & Services
Customer Value
Market Presence
Regulatory & Economic Contribution

Value Chain	Element	Description
Upstream	**Financial Capital**	Equity, internally generated funds, and working capital utilized to support manufacturing operations, capital expenditure, and business expansion.
	Manufactured Capital	State-of-the-art manufacturing facility, production lines, tooling, machinery, and infrastructure supporting efficient tractor manufacturing.
	Human Capital	Skilled workforce, engineers, technicians, and management expertise enabling operational excellence, quality assurance, and innovation.
	Intellectual Capital	Technical collaboration with CNH Industrial, proprietary manufacturing processes, quality systems, and accumulated technical know-how.
	Social & Relationship Capital	Strong relationships with suppliers, dealers, customers, regulators, shareholders, and group companies built on trust and long-term engagement.
	Natural Capital	Use of energy, water, and raw materials in manufacturing operations, managed through efficiency measures and environmental compliance.
	External Environment	Economic, political, legal, technological, environmental, and commercial factors influencing AGTL's strategic and operational decisions.

Value Chain	Element	Description
AGTL Business Model	**Core Activities**	Manufacture, assembly, marketing, and sale of New Holland tractors under technical collaboration with CNH Industrial, supported by robust quality control and continuous improvement systems.
	Supporting Activities	Governance, risk management, compliance, supply chain management, human resource development, health & safety, and information systems enabling effective operations.
Downstream	**Products**	High-quality, reliable, and fuel-efficient agricultural tractors tailored to the needs of local and international farming communities.
	Services	Comprehensive aftersales services, including spare parts availability, maintenance support, and technical assistance through an extensive dealer network.
	Customer Value	Enhanced farm productivity, operational efficiency, and long-term value for farmers through dependable machinery and service support.
	Market Presence	Strong domestic market position complemented by exports, contributing to foreign exchange earnings.
	Regulatory & Economic Contribution	Compliance with applicable laws, responsible tax contributions, and support to national agricultural and industrial development.
	Societal Impact	Support for farmer empowerment, food security, employment generation, and sustainable community development.
	Long-Term Value Creation	Sustainable value for shareholders and stakeholders through operational efficiency, innovation, strong governance, and strategic partnerships.

Significant External Factors and AGTL's Strategic Response

Significant External Factors	AGTL's Strategic Response Across Time Horizons		
	Short-Term	**Medium-Term**	**Long-Term**
Economic Factors Macroeconomic stability, interest rates, inflation, financing	• Proactive production planning	• Investment in technology	• Sustainable value creation
Political & Regulatory Factors Government policies, subsidies, agricultural support initiatives	• Inventory management	• After-sales infrastructure	• Environmental stewardship
Regional Dynamics Regional stability, cross-border conditions, geopolitical developments	• Dealer engagement	• Workforce training & development	• Innovation & R&D
Social Factors Changing demographics, rural livelihoods, mechanization	• Seasonal financing support		• Stakeholder trust building
Technological Factors Machinery advances, fuel efficiency, digital services			
Environmental Factors Climate change, water availability, sustainable practices			
Legal & Compliance Factors Labor laws, environmental regulations, governance,	Continuous monitoring of external factors supports operational flexibility, risk management, and sustainable value delivery.		

Effect of Seasonality on AGTL's Performance

The agriculture sector in Pakistan is inherently seasonal, and this seasonality has a direct influence on the demand dynamics, production planning, sales volumes, and working capital requirements of the Company. The two primary cropping seasons Kharif and Rabi, significantly shape farmers' purchasing behavior, financing decisions, and tractor utilization patterns, thereby impacting the Company's operational and financial performance throughout the year.

IMPACT OF KHARIF SEASON (APRIL TO OCTOBER)

During the Kharif season, farmers focus on cultivating crops such as cotton, rice, sugarcane, and maize. In the early part of the season (April to June), demand for tractors typically strengthens as farmers prepare land and undertake sowing activities. This period often witnesses increased tractor purchases, supported by higher farm activity and availability of agricultural inputs.

As the season progresses, tractor demand may moderate, with farmers prioritizing irrigation, crop maintenance, and harvesting-related expenditures. Variations in monsoon intensity, water availability, and input prices can further influence purchasing decisions, resulting in month-to-month fluctuations in sales volumes.

IMPACT OF RABI SEASON (OCTOBER TO APRIL)

The Rabi season, which includes the cultivation of wheat and other winter crops, generally drives tractor demand during the sowing months (October to December). Farmers invest in tractors and implements to support land preparation and sowing activities, leading to a noticeable uplift in market demand during this period.

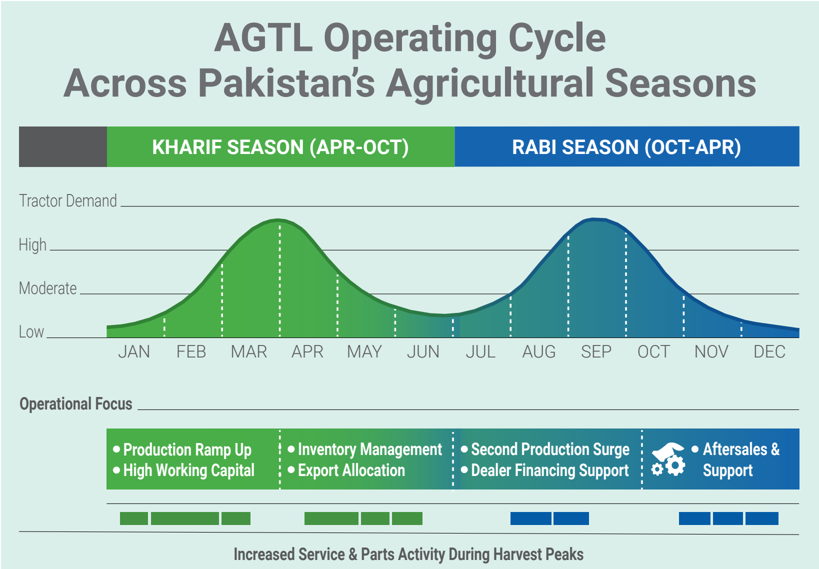
Mid-season demand may soften as farm activities stabilize; however, harvesting-related requirements toward the latter part of the season can sustain moderate sales momentum. Seasonal liquidity constraints among farmers may also influence purchasing patterns, particularly in years affected by adverse weather conditions or lower crop yields.

SEASONAL EFFECTS ON DISTRIBUTION, EXPORTS, AND AFTER-SALES SERVICES

Seasonality also affects distribution, logistics, and after-sales operations. During peak agricultural activity and harvest periods, demand for spare parts, maintenance services, and technical support increases, placing additional operational demands on AGTL's dealer and service network.

From an export perspective, seasonality in domestic demand may influence production allocation between local and international markets, enabling the Company to optimize capacity utilization and foreign exchange earnings during periods of relatively softer domestic demand.

AGTL continuously monitors seasonal trends and market signals to optimize operational efficiency, maintain stable production levels, and ensure sustained value delivery to farmers, dealers, and other stakeholders across the agricultural cycle.



Competitive Landscape and Market Positioning – AGTL

The following overview highlights AGTL's competitive landscape and market positioning within the Pakistani tractor industry. It summarizes key industry dynamics, including competition, customer and supplier bargaining power, competitor strengths and weaknesses, and market differentiation. The table also outlines AGTL's strategic responses aimed at maintaining leadership, strengthening customer trust, and creating sustainable value in a competitive and evolving market environment.

Category	Description	AGTL's Response / Strategy
Competitive Landscape	Entry barriers in the tractor industry remain high due to substantial capital requirements, technical expertise, regulatory compliance, and the need to establish strong dealer and customer networks. Emergence of local and international players offering competitive machinery, alternative mechanization solutions, and innovative financing adds pressure.	• Leverage technical collaboration with CNH Industrial for high-quality, fuel-efficient tractors. • Expand dealer network and after-sales support to strengthen customer loyalty. • Participate in government schemes like Green Tractor Scheme and Wheat Tractor Program. • Continuously innovate product portfolio to meet evolving farmer needs.
Bargaining Power of Customers	Farmers and agricultural contractors are the core customers, with moderate to high bargaining power due to price sensitivity, seasonal liquidity constraints, and access to competitors' products.	• Offer tailored financing options and flexible payment solutions. • Provide reliable after-sales services, spare parts, and technical support. • Maintain strong brand reputation and customer trust through quality and consistency.
Bargaining Power of Suppliers	Suppliers of raw materials, machinery components, and technical services are critical to operations. They have moderate bargaining power.	• Build long-term partnerships with key suppliers. • Diversify supplier base to reduce dependence. • Implement collaborative planning and quality assurance processes.
Relative Strengths & Weaknesses of Competitors and Customer Demand	Industry influenced by technology, evolving customer requirements, and seasonal fluctuations. Strengths: global collaboration, dealer/service network, government subsidy participation. Weaknesses/Challenges: fluctuating crop prices, adverse weather, seasonal demand affecting inventory and production planning.	• Proactive production and inventory management aligned with seasonal demand. • Invest in innovation, quality control, and workforce training to maintain competitive advantage.
Intensity of Competitive Rivalry	Domestic industry moderately competitive, driven by key players and government-supported schemes. Price, service, reliability, and dealer support are key differentiators.	• Strengthen brand equity through quality, reliability, and customer service. • Maintain production flexibility to respond quickly to demand changes. • Expand exports to complement domestic sales and optimize capacity utilization.
Market Positioning	Leading manufacturer of New Holland tractors in Pakistan. Recognized for high-quality, fuel-efficient, technologically advanced tractors, strong domestic market share, comprehensive after-sales services, and export operations.	• Sustain brand leadership and customer loyalty. • Deliver consistent product quality and technical support. • Optimize domestic and export market balance for long-term value creation.

Through these strategic initiatives, AGTL maintains a resilient market position, effectively managing competitive pressures while creating sustainable value for farmers, dealers, shareholders, and the broader agricultural sector.

Striving for Excellence in Corporate Reporting

COMPLIANCE WITH FINANCIAL ACCOUNTING AND REPORTING STANDARDS

The Board of Directors of Al-Ghazi Tractors Limited (AGTL), together with the Audit Committee and Management, affirms its responsibility for the preparation and presentation of the Company's financial statements in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as applicable in Pakistan. Management ensures that the financial statements provide a true and fair view of the Company's financial position, performance, and cash flows.

The Board also confirms that adequate internal controls, risk management systems, and governance frameworks are in place to safeguard the integrity and reliability of financial reporting.

GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

Beyond full compliance with applicable laws and regulations, AGTL voluntarily adopts best governance practices to uphold the highest standards of transparency, accountability, and operational excellence. Key initiatives include:

- Comprehensive disclosure in the Annual Report, including financial ratios, trends, charts, commentary, and analysis, aligned with industry best practices.
- Implementation of robust Health, Safety, and Environment (HSE) strategies to safeguard employees, equipment, and operations.
- Maintenance of high standards in management and reporting practices, consistently recognized through awards from professional bodies such as ICAP, and ICMAP.

Through these practices, the Board and Management reaffirm their commitment to accurate, transparent, and responsible financial reporting, while embedding a culture of ethical governance and operational excellence across the organization.

04
Risk & Opportunities

Enterprise Risk Management

Effective risk management remains a fundamental pillar of our corporate governance structure and strategic oversight process. The Company recognizes that in an increasingly dynamic and competitive business environment, the ability to identify, assess, and manage risks proactively is critical to sustainable growth and long-term value creation. During the year ended 2025, we further formalized and strengthened our risk management framework through the development and implementation of a comprehensive, department-wise risk register encompassing all key functional areas of the organization.

This initiative marked a significant milestone in institutionalizing a structured and disciplined approach to risk management across the Company. Through detailed engagement sessions with departmental heads and key management personnel, risks were systematically identified for each department, ensuring that operational realities were accurately captured. The risk register covers strategic, operational, financial, compliance, technological, environmental, and market-related risks relevant to our business.

Each identified risk was carefully evaluated and ranked based on its likelihood of occurrence and potential impact on the Company's objectives. This structured risk assessment methodology enabled management to prioritize high-risk areas requiring immediate attention while maintaining visibility over medium- and low-level risks. For every significant risk identified, specific mitigation strategies and control measures were documented within the risk register. These mitigation plans include preventive controls, detective mechanisms, monitoring processes, and contingency actions, ensuring that risks are managed in a proactive and systematic manner.

Clear ownership has been assigned to designated risk owners within each department, reinforcing accountability and ensuring timely implementation of mitigation actions. The department-wise structure of the risk register strengthens cross-functional coordination while embedding risk awareness at the operational level. This approach ensures that risk management is not treated as a standalone compliance exercise, but rather as an integral part of routine decision-making and performance management.

As a tractor manufacturing company operating in a competitive and regulated environment, we are exposed to various internal and external risks, including supply chain disruptions, raw material price volatility, foreign exchange fluctuations, credit risk exposure, evolving regulatory requirements, technological advancements, shifting customer preferences, and operational efficiency challenges. By formally documenting and ranking these risks, management is better equipped to anticipate potential disruptions, allocate resources effectively, and implement timely corrective measures, thereby enhancing organizational resilience.

The Board of Directors and senior management maintain active oversight of the Company's overall risk profile. Periodic reviews of the risk register and the status of mitigation strategies are conducted to assess effectiveness, identify emerging risks, and ensure alignment with the Company's strategic objectives. This oversight reinforces the tone at the top and reflects management's strong commitment to fostering a risk-aware culture throughout the organization.

Risk management plays a central role in strengthening internal controls and supporting sound corporate governance practices. By integrating risk considerations into strategic planning, budgeting, capital expenditure decisions, and operational reviews, the Company ensures that its risk appetite remains aligned with its long-term objectives. This alignment enhances transparency, promotes accountability, and supports informed decision-making at all levels of the organization.

Furthermore, a structured and documented risk management framework safeguards stakeholder interests by protecting company assets, ensuring regulatory compliance, and minimizing the likelihood of unexpected financial or operational setbacks. It enhances investor confidence and strengthens credibility with customers, suppliers, financial institutions, and regulators by demonstrating that risks are identified, evaluated, and managed systematically.

Management firmly believes that risk management is not merely a regulatory requirement but a strategic enabler of sustainable growth. Considerable importance is placed on continuously refining the risk register, strengthening mitigation mechanisms, and enhancing reporting practices to reflect evolving business conditions and emerging risks.

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Some of the key corporate level risks identified are shown below along with the mitigating action.

Risk Statement	Risk Description	Likelihood	Impact	Mitigating action
Mandatory export condition by Government	The AIDEP through EDB requires the OEMs to meet specific export targets based on the value of import of non-localized parts as the Govt. allows such imports on concessionary duty rates.	Possible	Critical	The Company is currently exporting tractors to Afghanistan and is in process of developing additional sales channels in Afghanistan. The Company has hired dedicated resources for export sales. Simultaneously, the Company is looking for development of alternative export channels beyond reliance on Afghanistan alone.
Exchange rate fluctuation	It becomes challenging for the Company to compete in the market due to frequent fluctuation of PKR parity against USD.	Possible	Significant	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.
Climate Change	The region is subject to severe climate change resulting in extreme weather conditions that has significantly impacted the crop pattern and resultantly has changed the customer preferences for tractors.	Possible	Major	Adapt Product Development: Invest in research and development to design tractors that are specifically suited for changing crop patterns and extreme weather conditions. Market Research and Customer Engagement: Conduct ongoing market research to understand shifting customer preferences and adjust marketing strategies accordingly. Engage with customers to gather feedback on their needs. Diversification of Product Lines: Expand the product range to include tractors that cater to a wider variety of agricultural practices and crop types, ensuring relevance in a changing market. Partnerships with Agricultural Experts: Collaborate with agricultural experts and organizations to stay informed about the latest trends and developments in crop management and sustainable farming practices. Training and Support Programs: Offer training programs for customers on how to optimize tractor use for new farming methods and changing conditions, enhancing customer loyalty and satisfaction. Sustainability Initiatives: Incorporate sustainability into product design and operations to appeal to environmentally conscious customers, positioning the company as a leader in sustainable agriculture solutions.

Risk Statement	Risk Description	Likelihood	Impact	Mitigating action
				Scenario Planning: Develop contingency plans that address various climate scenarios, allowing the company to adapt its strategy quickly in response to extreme weather events. Insurance and Risk Management: Explore insurance options that protect against climate-related risks, helping to mitigate financial impacts from severe weather events.
Political unrest	The political unrest in any region puts a negative impact on its business industry and situations like strikes, political gatherings etc hamper the business continuity.	Possible	Significant	The Company always keeps a calculated stock of tractors to meet the orders for a certain period of time even in situations where normal production capacity is hampered due to strikes or unrest.
Loss of critical systems due to cyberattacks or system failure	A cyberattack or server crash may render ERP systems and production software inaccessible, affecting operations.	Remote	Critical	Implement redundant cloud backups, real-time failover systems, regular penetration testing, and employee cybersecurity training to ensure preparedness.
Disruption in manufacturing due to power outages or equipment failure	Unexpected power failure or machinery damage can halt assembly lines, causing production and delivery delays.	Remote	Critical	Install backup generators, maintain emergency maintenance protocols, and develop business continuity plans with alternate production schedules.
Supplier unavailability during a disaster event interrupts parts procurement	Floods, strikes, or geopolitical issues may cause critical component shortages, affecting assembly timelines.	Remote	Critical	Build a diverse supplier base, maintain safety stock levels, and include disaster clauses and continuity planning in supplier contracts.
Workforce unavailability during emergencies or pandemics	Employee safety issues, illness, or transport failures may reduce workforce availability during disasters.	Remote	Critical	Develop a remote working plan for non-production staff, ensure health and safety protocols, and maintain a disaster communication and contact system.
Inability to process payments or access financial systems during an emergency	Downtime in financial software can delay payroll, vendor payments, and critical decision-making.	Remote	Critical	Ensure cloud-based financial systems, maintain offline processing protocols, and establish relationships with alternate banking partners.
Transportation network failure during a disaster affecting deliveries	Floods, storms, or fuel shortages may disrupt outbound deliveries and customer commitments.	Remote	Critical	Develop multiple logistics partners, pre-contract alternate transport modes, and maintain a disaster-ready fleet with emergency routing plans.
Physical damage to factory or office premises due to natural disasters	Earthquakes, floods, or fires could cause infrastructure damage, halting production and posing safety risks.	Remote	Critical	Conduct regular facility risk assessments, install disaster-resistant structures, and maintain emergency evacuation and recovery protocols.

Going forward, the Company remains committed to further enhancing its risk management framework in line with industry best practices and regulatory expectations. By maintaining disciplined risk identification, impact and likelihood-based ranking, clear ownership, and continuous monitoring, we aim to ensure that risk awareness and proactive mitigation remain deeply embedded across all levels of the organization, thereby supporting stability, resilience, and long-term value creation.

PROCESS & COMPLIANCE

The Company firmly believes that robust processes and strong compliance discipline form the backbone of sustainable growth, operational excellence, and sound corporate governance. During the year ended 2025, significant emphasis was placed on strengthening and institutionalizing our process framework to enhance efficiency, transparency, accountability, and risk mitigation across the organization.

The core mandate of the Process & Compliance function is to design, document, implement, and continuously improve structured processes aligned with the Company's evolving operational requirements and strategic objectives. In a dynamic manufacturing environment, where coordination across multiple departments is essential, well-defined processes ensure consistency in execution, clarity in roles and responsibilities, and alignment with regulatory and governance standards.

During the year, the Company successfully developed and implemented 12 new processes to address emerging business needs, operational gaps, and control requirements. These newly developed processes were designed after detailed consultations with relevant departments, ensuring that practical operational realities were fully considered. Each process was structured to clearly define scope, responsibilities, approval hierarchies, documentation requirements, and internal control mechanisms.

In addition to new process development, continuous improvement remained a key focus area. The Company reviewed existing operational frameworks and introduced enhancements to 10 existing processes through updates, refinements, and additions aimed at improving efficiency, strengthening controls, and eliminating redundancies. These improvements were driven by operational insights, audit findings, management reviews, and evolving regulatory expectations.

The development and revision of processes follow a structured methodology. Draft processes are prepared by the Process & Compliance Department in close collaboration with concerned functional teams. This collaborative approach ensures ownership at the departmental level and promotes practical, implementable solutions rather than theoretical documentation. Once finalized, the processes undergo formal review and are presented for approval to the Board of Directors, reinforcing oversight governance and ensuring alignment with the Company's strategic direction.

The active involvement of the Board in reviewing and approving key processes reflects the importance placed on structured governance and disciplined operational management. This top-level oversight strengthens accountability, enhances transparency, and ensures that processes are not only operationally sound but also strategically aligned.

From a compliance perspective, the year witnessed substantial progress in strengthening internal control mechanisms. A total of 76 audit observations were successfully resolved during the year through coordinated efforts between the Process & Compliance Department and relevant functional teams. Importantly, no high-rated audit observations remained outstanding at year-end, underscoring management's commitment to timely and effective remediation. A brief overview of the number of audit observations resolved during the year 2025 is given below reflecting Management's focus on the importance of sustainable governance to ensure standard business practices for the achievement of Organizational goals.

	YTD 2025
Opening Balance	41
New Recommendations Added During the Year	47
Implemented During the Year	76
Closing Balance	12

Addressing audit observations is not treated as a mere corrective exercise; rather, it is viewed as an opportunity for systemic improvement. Implementation of audit recommendations typically involves reviewing and revising existing practices, strengthening control frameworks, eliminating procedural weaknesses, and enhancing documentation standards. In many instances, this requires reengineering certain workflows to improve efficiency, reduce risk exposure, and align practices with best governance standards.

The successful resolution of audit observations demonstrates a culture of accountability and cross-functional collaboration. Departments actively engage in root cause analysis, corrective action planning, and implementation of sustainable solutions. This collaborative approach ensures that improvements are institutionalized rather than temporary fixes, thereby enhancing operational reliability and resilience.

The Company recognizes that process excellence is not a static achievement but an ongoing journey of continuous evolution. As the business environment becomes more complex, the need for structured workflows, defined controls, and compliance discipline becomes increasingly critical. By embedding documentation, review cycles, and compliance monitoring within regular operations, the Company ensures that its internal framework remains agile, responsive, and aligned with strategic objectives.

Strong process governance also contributes significantly to risk mitigation and value creation. Clearly documented and approved processes reduce ambiguity, prevent operational disruptions, safeguard company assets, and enhance accountability at all levels. They provide a reliable foundation for decision-making, performance measurement, and internal control assurance.

Management remains fully committed to further strengthening the process and compliance framework in the coming years. Emphasis will continue to be placed on identifying improvement opportunities, leveraging technology for process optimization, enhancing monitoring mechanisms, and fostering a culture where compliance and operational discipline are viewed as enablers of growth rather than constraints.

Through structured process development, continuous refinement, rigorous compliance oversight, and strong Board engagement, the Company reinforces its commitment to operational excellence, good governance, and sustainable long-term value creation for all stakeholders.

05

Journey through 2025

Research and Development

Engineering Capability for Efficient and Responsible Design

Research and Development plays a foundational role in ensuring that product development at Al-Ghazi Tractors Limited is grounded in efficiency, durability, and performance under real operating conditions. During the year, the Company advanced the establishment of its new Research and Development Centre, marking a significant milestone in strengthening in-house engineering, testing, and validation capability.

The R&D Centre has been designed to support product innovation and enable data-driven engineering decisions aligned with fuel efficiency, system reliability, and evolving regulatory requirements. Rather than positioning sustainability as a standalone initiative, the Centre has been structured to embed sustainability outcomes directly into engineering design and validation processes, ensuring that efficiency, durability, and resource optimization are addressed at the earliest stages of product development.

At the core of the R&D Centre are three state-of-the-art test beds: the Engine Test Bed, the Power Take-Off (PTO) Test Bed, and the Transmission Test Bed. These facilities have been established to enable engineering teams to scientifically analyze, refine, and validate performance improvements across critical tractor systems under controlled conditions. This capability is intended to ensure that future design enhancements translate into measurable efficiency, reliability, and consistency in field performance.

The Engine Test Bed has been configured to support precise optimization of engine performance for local operating conditions. Once operational, this capability will enable controlled testing and validation focused on improving fuel efficiency, optimizing combustion, reducing fuel wastage, and enhancing engine durability. These outcomes are expected to lower lifecycle maintenance requirements, reduce operating costs for farmers, and promote more responsible use of energy resources at scale.

Similarly, the PTO and Transmission Test Beds have been designed to support detailed evaluation of driveline efficiency, power transfer, and mechanical losses across systems. This capability will strengthen system integration, reduce energy losses, and improve overall drivetrain performance, while enhancing readiness to comply with evolving national and international emission standards without compromising reliability under demanding operating conditions.

By building in-house engineering and validation capability through the R&D Centre, the Company has laid the foundation for developing tractors that are better suited to local conditions, more efficient to operate, and more durable over time. As this capability is progressively operationalized, it is expected to support lower lifecycle costs for customers while contributing to broader environmental objectives through responsible design, reduced resource intensity, and extended product life.

Manufacturing

As a Driver of Efficient and Sustainable Operations

During the year, the Plant focused on strengthening operational efficiency, improving workplace safety, and embedding Lean Manufacturing principles across key production areas. Through targeted KAIZEN initiatives, layout optimization, and equipment upgrades, manufacturing operations were streamlined to reduce waste, improve production flow, and support sustainable manufacturing practices across the plant.

Sustainability is embedded within manufacturing through a focus on efficient use of energy and materials, reduced rework and scrap, safer workplaces, and optimized internal logistics. By eliminating inefficiencies, minimizing defects, and improving process flow, manufacturing initiatives during the year contributed to lower resource consumption, reduced environmental impact, and improved operational resilience.

KEY SUSTAINABILITY-LINKED MANUFACTURING INITIATIVES DURING THE YEAR INCLUDED:

- **Lean Manufacturing and process optimization:**
  Lean Manufacturing principles were embedded across the Engine Assembly Line through layout optimization, transition from batch to continuous flow, implementation of 5S, defined material flow paths, and standardized material handling.
  These initiatives reduced work-in-progress inventory, improved line visibility, lowered operator walking distances, and enhanced overall safety and efficiency.
- **KAIZEN-driven productivity and capacity enhancement:**
  Multiple KAIZEN initiatives were implemented to improve productivity and eliminate constraints. At the Engine Assembly Line, a clamping fixture was introduced at the main cap torquing stage to prevent rotational movement of the cylinder block, improving process accuracy, consistent quality, and operator safety. Capacity was further enhanced through modification of the sun gear hanger, doubling handling capacity from 8 to 16 parts per hanger.

- **Equipment modernization and reliability improvement:**
  To address aging equipment and frequent breakdowns, an automatic hydraulic press was developed and introduced to replace a conventional workstation. This upgrade improved reliability, enhanced operator safety, reduced cycle time, and eliminated production losses caused by equipment failures, while enabling single-piece flow and improved flexibility without additional manpower.
- **Quality improvement and rework reduction:**
  In the Paint Shop, the surface preparation area for sheet metal parts was relocated to a dedicated shed outside the painting zone, eliminating dust contamination caused by lifter movement. This significantly reduced paint defects and rework while improving overall 5S discipline. Painted parts handling was further improved through standardized pallets and special rubber holders to prevent metal-to-metal contact, eliminating scratches, dents, and surface damage during internal logistics.
- **Precision, safety, and environmental improvements in operations:**
  The Engine FIP Laboratory was upgraded to meet standard conditions for precision adjustment through enhanced 5S implementation, proper material racks for traceability, and a dust-proof environment. In parallel, manual fuel-based internal logistics were replaced with more efficient systems, resulting in reduced daily fuel consumption, elimination of exhaust emissions and noise pollution, and faster, more reliable material movement aligned with Just-In-Time and one-piece flow principles.

MANUFACTURING IMPACT AND OUTCOMES

- **Capacity enhancement:**
  Handling capacity doubled in selected operations through targeted KAIZEN interventions
- **Productivity gains:**
  Approximate 30% cycle time reduction in key processes
  42% increase in line output achieved without additional manpower
- **Quality improvement:**
  Reduced rework and defects through elimination of dust contamination, handling damage, and process variability
- **Safety and ergonomics:**
  Improved operator safety through equipment upgrades, elimination of manual operations, and improved workplace organization
- **Environmental impact:**
  Reduced fuel consumption in internal logistics
  Elimination of exhaust emissions and noise pollution in specific operations
  Lower material waste through reduced rework and scrap.

Commercial

Expanding Market Leadership and Revenue Conversion

In a competitive and price-sensitive agricultural market, commercial success depends on structured demand capture, financing access, performance validation, and disciplined dealer execution.

By integrating government scheme participation, export market exploration, institutional collaboration, and field-level validation, AGTL strengthened its commercial resilience, expanded market leadership, and reinforced sustainable revenue growth across domestic and emerging segments.

During 2025, the Commercial function executed a focused strategy to convert product strength into measurable bookings, expand market share, and strengthen institutional and dealer alignment across regions.

GREEN TRACTOR SCHEME STRENGTHENING LEADERSHIP IN THE HIGH HORSEPOWER SEGMENT

The Chief Minister's Punjab High Horsepower Green Tractor Scheme 2025–26 represented one of the most significant structured demand programs in the agricultural machinery sector during the year. Operating within a competitive, farmer-choice-based framework, the Scheme provided a clear measure of brand strength and market preference in the high horsepower category.

Under this program, AGTL achieved a 39.24 percent market share in the High Horsepower segment. Out of 9,500 participating farmers,

3,728 farmers selected NH tractors, reflecting strong product acceptance and competitive positioning within the 75HP and 85HP range.

The allocation comprised 2,855 units in the 75HP category and 873 units in the 85HP category, demonstrating balanced demand across both power segments and validating the depth of AGTL's portfolio within the high horsepower range.

On a year-to-date basis, AGTL's High Horsepower market share stood at 14 percent across the local industry, reinforcing sustained positioning beyond the Scheme itself.

In a structured, government-supported environment where final allocation was determined by farmer preference, achieving nearly 40 percent share underscores strong brand confidence, effective district-level execution, and disciplined cross-functional coordination across Commercial, Marketing, Aftersales, and Government engagement teams.

The Green Tractor Scheme materially expanded AGTL's domestic footprint in Punjab's mechanization landscape and reinforced its leadership position within structured high horsepower programs.

EXPORT MARKET DEVELOPMENT AND INTERNATIONAL OUTREACH

During the year, AGTL's Commercial team engaged with international delegations to explore export opportunities, particularly within emerging African agricultural markets.

These engagements focused on:

- Assessing product suitability for export markets
- Exploring dealership and distribution partnerships
- Evaluating commercial viability in new geographies
- Diversifying revenue streams beyond domestic demand cycles

Export exploration supports long-term strategic resilience by reducing dependence on single-market fluctuations and positioning AGTL for international growth.

DOMESTIC COMMERCIAL ACTIVATION AND FIELD EXECUTION

Beyond government schemes, AGTL strengthened domestic commercial execution through structured field demonstrations, institutional engagement, agricultural exhibitions, and dealer performance management.

FIELD DEMONSTRATIONS AND PRODUCT VALIDATION

Performance-based selling remained central to commercial strategy.

During the year:

- 35+ progressive farmers participated in structured field demonstrations
- 2 tractors were sold on the spot during live product validation
- 4 additional qualified leads were generated from demonstration activities
- A commercial fleet operator confirmed an initial order of 2 NH units following performance-based validation
- Demonstrations highlighted up to 40 percent capital cost savings in select commercial applications

Demonstrations were conducted across multiple districts and commercial segments, including heavy-load and sandpit environments, reinforcing NH-850's durability, fuel efficiency, and hydraulic precision.

INSTITUTIONAL AND BANKING ENGAGEMENT

To improve financing accessibility and accelerate bookings, AGTL conducted structured product awareness and training sessions with Agriculture Credit Officers and commercial banks across multiple regions.

- 20 Agriculture Credit Officers trained in Jaranwala
- Multiple structured banker sessions conducted across Chichawatni, Pakpattan, and Faisalabad
- Financing-linked sales conversions executed through commercial banking partnerships

This strengthened coordination between product, dealer, and financier, reducing booking cycle time and improving conversion efficiency.

AGRICULTURAL EXHIBITIONS AND REGIONAL OUTREACH

AGTL participated in major agricultural exhibitions and regional melas to strengthen direct farmer engagement.

Engagement scale included:

- 500+ farmers engaged at the Kasur Kissan Mela
- 1,000+ progressive farmers reached during the Sargodha Agri Exhibition
- Full product range display across 55HP to 85HP segments at regional platforms

These activities enhanced brand visibility, generated qualified inquiries, and reinforced product differentiation within competitive territories.

DEALER NETWORK DISCIPLINE AND REGIONAL ACCOUNTABILITY

Dealer performance remained a commercial priority.

- 20 dealers engaged in the South Cluster meeting in Multan
- 14 dealers engaged in Sukkur regional review meeting
- Structured performance reviews conducted to enhance bookings, recoveries, and territory coverage

Regional focus included doorstep conversion visits in competition-dominated areas, institutional sales outreach, and scheme delivery coordination.

COMMERCIAL IMPACT (2025)

- 39 percent market share under High Horsepower Green Tractor Scheme
- 3,728 NH tractors selected under GTS out of 9,500 total units
- 1,500+ farmers directly engaged across exhibitions and melas
- 35+ farmers participated in structured demonstrations
- Immediate on-ground sales conversions achieved
- 20+ Agriculture Credit Officers trained
- 34 dealers engaged across major regional clusters
- Export market engagement initiated.

Aftersales

As a Driver of Sustainable Performance

During the year, the Aftersales function focused on strengthening technical capability across the network, deepened customer engagement, and reinforced preventive maintenance practices to support long-term performance in the field. Through nationwide mechanics and operator training programs, district-level engagement under the Green Tractor Scheme, and targeted awareness on correct usage and maintenance, Aftersales supported farmers and customers beyond the point of sale, reinforcing reliability, productivity, and trust across domestic and regional markets.

Sustainability was embedded within Aftersales activities through a lifecycle-based approach that emphasized efficient resource use, extended equipment life, and responsible operations. By improving technical knowledge, promoting preventive maintenance, and encouraging efficient fuel and consumable usage, Aftersales initiatives contributed to reduced environmental impact while supporting sustainable agricultural productivity.

KEY SUSTAINABILITY-LINKED AFTERSALES INITIATIVES DURING THE YEAR INCLUDED:

- **Technical skills development and knowledge transfer:** Al-Ghazi conducted structured mechanics and operator training programs across Pakistan, including nationwide sessions such as the MITA Lift-o-Matic training at the Multan office, attended by over 250 mechanics. These programs focused on correct system operation, preventive and periodic maintenance, and improved troubleshooting, helping reduce misuse, extend tractor lifespan, and limit premature part replacement and material waste.
- **Preventive maintenance and fuel efficiency awareness:** Aftersales teams engaged mechanics and customers on the importance of preventive maintenance and the use of genuine lubricants and filters to improve fuel efficiency, reduce engine wear, and lower emissions per operating hour, aligning operational performance with responsible resource consumption.
- **Sustainable mechanization under the Green Tractor Scheme:** District-level customer engagement activities were carried out through field visits, technical discussions, and on-ground support to ensure appropriate application of high-horsepower tractors, improved operational efficiency, and better alignment between equipment and agricultural needs, supporting sustainable agricultural productivity.
- **Regional capacity building and environmental stewardship:** Al-Ghazi expanded its Aftersales training footprint beyond Pakistan by conducting its first-ever mechanics and operators training programs in Jalalabad and Herat, Afghanistan, supporting long-term skills development and self-reliance through knowledge transfer.

Quality

Building Consistency at Scale

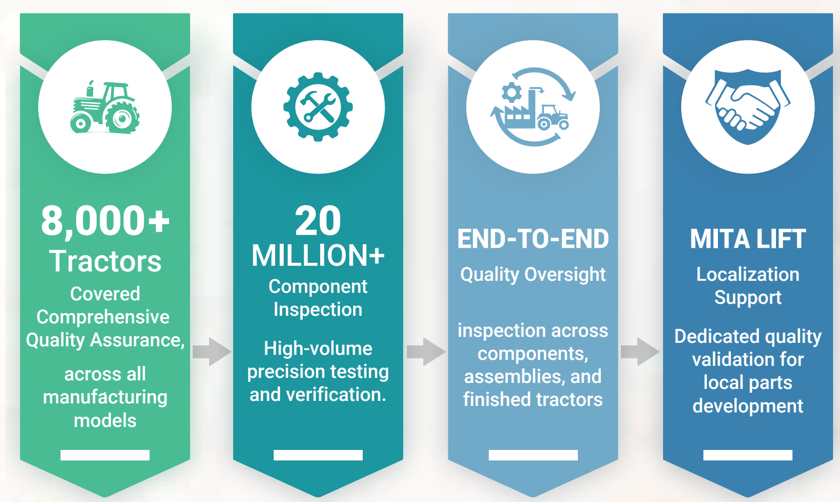
In 2025, the Quality function played a central role in ensuring the reliability, durability, and performance of Al-Ghazi Tractors Limited products. The focus remained on maintaining consistency across increasing production volumes, strengthening inspection rigor, and supporting local part development to ensure that scale was achieved without compromising performance or reliability.

Sustainability was embedded within quality operations through a focus on defect prevention, reduced rework and scrap, and consistent first-time-right performance. Strong quality systems enabled more efficient use of materials and energy, extended product life, and reduced avoidable waste across the manufacturing lifecycle.

KEY QUALITY-LINKED INITIATIVES DURING THE YEAR INCLUDED:

- **Strengthening inspection and assurance coverage:** The Quality team supported production across multiple tractor models through comprehensive inspection and assurance processes spanning components, assemblies, and finished units. Inspection coverage was strengthened to enable early detection of non-conformities, reducing downstream rework, scrap, and material losses.
- **Supporting localization through quality validation:** Quality played a key role in MITA Lift-o-Matic local parts development by working closely with Engineering and Procurement to validate locally developed components against defined performance and reliability benchmarks. This ensured that localization initiatives progressed without compromising quality standards, while supporting supplier development and long-term durability.

Quality Operations: Annual Performance Metrics



Facilities and HSE

Protecting People, Ensuring Compliance, Sustaining Operations

During the year, Facilities and HSSE played a critical role in ensuring safe, compliant, and resilient plant operations at Al-Ghazi Tractors Limited. The function focused on safeguarding employee health and safety, strengthening environmental compliance, and improving resource and waste management practices across the DG Khan Plant and associated facilities. These efforts supported uninterrupted operations, regulatory adherence, and long-term operational sustainability.

Sustainability within Facilities and HSSE was driven through proactive health and safety practices, strict environmental compliance, responsible waste management, and preparedness for emergency scenarios. By protecting people, minimizing environmental impact, and ensuring operational continuity, HSSE initiatives supported responsible manufacturing and strengthened operational resilience.

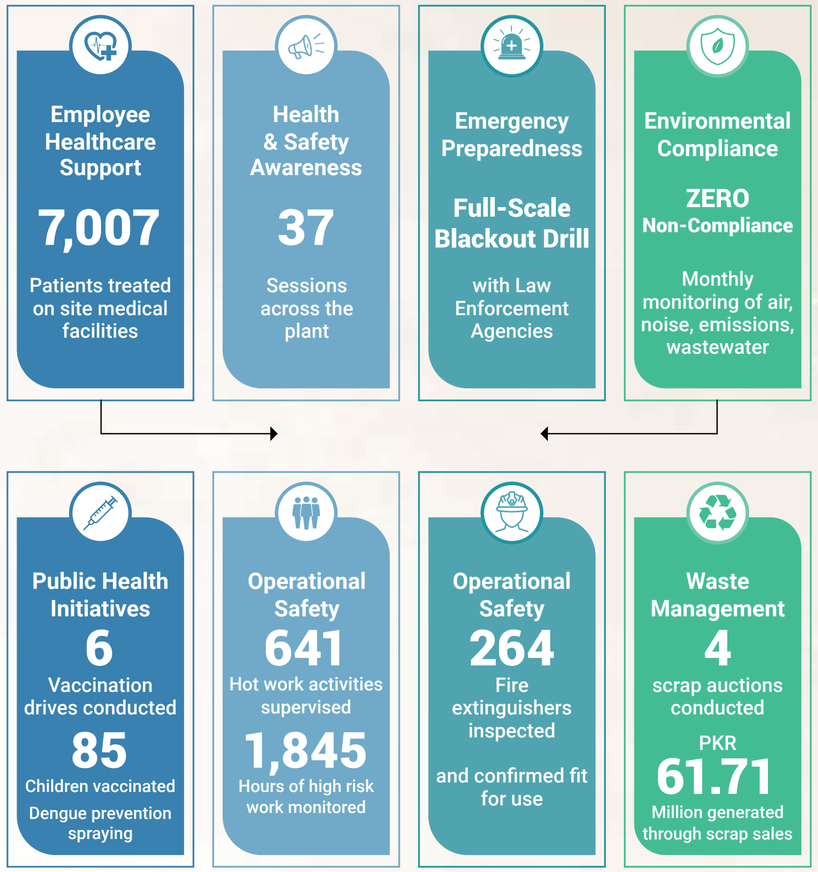




KEY FACILITIES AND HSSE INITIATIVES DURING THE YEAR

- **Employee health and preventive care:**
  The HSSE function maintained a strong focus on employee health through on-site medical facilities, with 7,007 patients treated between January and December. Medical camps and awareness initiatives were conducted to support early detection and prevention of diseases among employees and their families, including targeted health screening programs such as sugar awareness camps.
- **Health and safety awareness and training:**
  Thirty-seven structured awareness sessions were conducted across the plant covering workplace safety, disease prevention, and precautionary measures, reinforcing a culture of prevention and safe working practices.
- **Emergency preparedness and crisis readiness:**
  Emergency response capability was strengthened through mock exercises conducted in coordination with Law Enforcement Agencies. A full-scale blackout emergency drill was executed in response to regional security developments, testing plant readiness under extreme conditions and strengthening response coordination.
- **Environmental monitoring and compliance:**
  A comprehensive monthly environmental monitoring program was implemented covering wastewater, stack emissions, vehicular emissions, noise levels, and ambient air quality. These activities supported early risk identification and sustained compliance across all monitored parameters.
- **Public health and community well-being:**
  Facilities supported public health initiatives through six polio vaccination drives conducted in collaboration with government health teams under the National Polio Immunization Campaign, resulting in 85 children vaccinated in Staff Town. Dengue prevention spraying was also carried out across the plant and residential areas as a preventive public health measure.
- **Operational safety and fire risk management:**
  High-risk activities were closely supervised, with 641 hot work activities representing approximately 1,845 hours monitored by dedicated Fire Wardens. Fire safety readiness was reinforced through regular inspection of fire-fighting equipment, with 264 fire extinguishers confirmed fit for use during the year.
- **Waste, scrap, and resource management:**
  Waste and scrap management were conducted through structured and transparent processes, including four scrap auctions carried out in accordance with approved procedures. These activities supported safe disposal, improved housekeeping, efficient space utilization, and value recovery while maintaining regulatory compliance.
- **Security, access control, and administrative oversight:**
  Facilities strengthened administrative and operational control through comprehensive annual reporting on vendor visits, visitor movements, and tractor dispatches from the distribution gate, supporting security, traceability, planning, and effective cross-functional coordination.

Facilities and HSE Impact (2025)



Enabling Scale, Control and Sustainable Growth

Information Technology plays a critical role in enabling operational discipline, visibility, and scalability across Al-Ghazi Tractors Limited. During the year, IT remained focused on executing the Company's long-term digital transformation roadmap, strengthening core systems, and embedding technology that supports efficient decision-making, operational control, and sustainable growth.

IT AND SUSTAINABILITY

Sustainability in IT is driven by efficient system design, reduced process duplication, data integrity, and secure digital operations. By enabling integrated, real-time visibility across functions and reducing reliance on manual and fragmented processes, IT initiatives support responsible resource use, improved governance, and long-term operational resilience.

WHAT WE DID

In 2025, the Company advanced Project Falcon – Phase 3, the third year of a structured four-year digital transformation journey anchored around the implementation of SAP S/4HANA. With a total planned investment of PKR 2 billion, the program is designed to deliver end-to-end process integration and enterprise-wide visibility across core operational and strategic functions.

The SAP S/4HANA platform is being implemented to replace fragmented legacy systems and enable standardized, data-driven processes across manufacturing, supply chain, finance, sales, and aftersales. The objective is to improve responsiveness, planning accuracy, and execution discipline while supporting future growth and product complexity.

The transformation program is governed through a dedicated Steering Committee comprising Al-Futtaim Group Technology and Digital Platforms, alongside local IT, Transformation, and Strategy teams. This structure ensures strong oversight, alignment with global best practices, and disciplined execution.

In parallel, IT strengthened the Company's information security posture to support increasing digitalization and cloud-based operations. A comprehensive upgrade of the cybersecurity framework was initiated, supported by modern security solutions aligned with global cybersecurity and digital experience standards. These measures are designed to safeguard enterprise data, protect operational continuity, and enable digital value creation in a secure and controlled manner.

ENABLING SCALE, CONTROL AND SUSTAINABLE GROWTH

Information Technology played a critical role in enabling operational discipline, visibility, and scalability across Al-Ghazi Tractors Limited. The function focused on executing the Company's digital transformation roadmap, strengthening core enterprise systems, and embedding technology that supported efficient decision-making, operational control, and sustainable growth.

Sustainability within IT was driven through efficient system design, reduced process duplication, improved data integrity, and secure digital operations. By enabling integrated, real-time visibility across functions and reducing reliance on manual and fragmented processes, IT initiatives supported responsible resource use, stronger governance, and long-term operational resilience.

KEY INFORMATION TECHNOLOGY INITIATIVES DURING THE YEAR

- **Enterprise digital transformation (Project Falcon – Phase 3):** During 2025, the Company advanced Project Falcon – Phase 3, marking the third year of a structured four-year digital transformation journey anchored around the implementation of SAP S/4HANA. The program progressed as part of a total planned investment of PKR 2 billion, aimed at delivering end-to-end process integration and enterprise-wide visibility across core operational and strategic functions.
- **Implementation of SAP S/4HANA as ERP backbone:** SAP S/4HANA was implemented to replace fragmented legacy systems and enable standardized, data-driven processes across manufacturing, supply chain, finance, sales, and aftersales. This strengthened planning accuracy, improved responsiveness, and enhanced execution discipline to support increasing operational scale and product complexity.
- **Transformation governance and oversight:** The digital transformation program was governed through a dedicated Steering Committee comprising Al-Futtaim Group Technology and Digital Platforms, alongside local IT, Transformation, and Strategy teams. This governance structure ensured disciplined execution, alignment with global best practices, and effective cross-functional coordination.
- **Information security and cyber resilience:** In parallel with system transformation, IT strengthened the Company's information security posture to support increasing digitalization and cloud-based operations. A comprehensive upgrade of the cybersecurity framework was initiated, supported by modern security solutions aligned with global cybersecurity and digital experience standards. These measures strengthened data protection, safeguarded operational continuity, and enabled secure digital value creation.

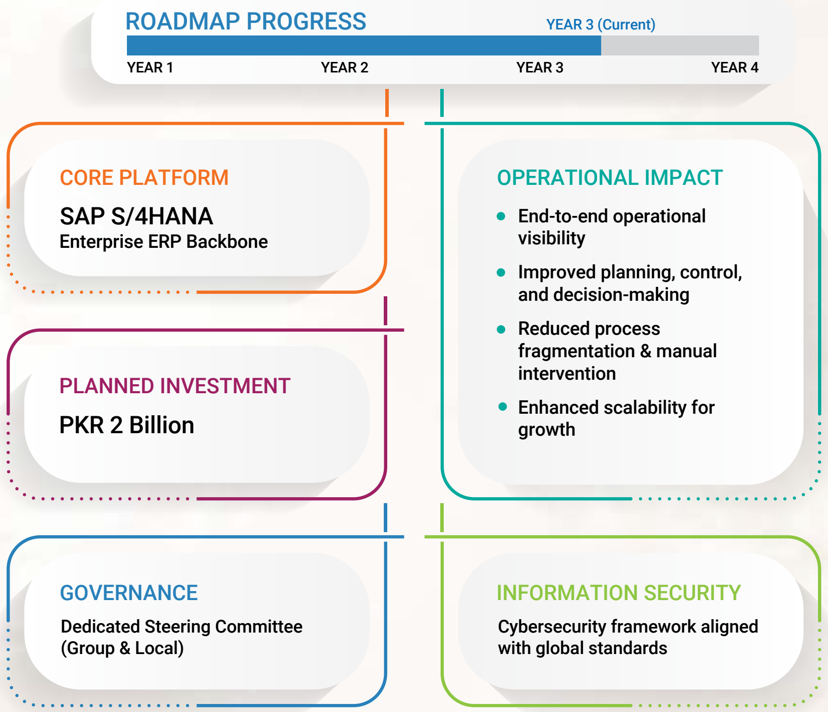
INFORMATION TECHNOLOGY IMPACT AND OUTCOMES (2025)

- **Digital transformation:** Project Falcon progressed to Year 3 of a 4-year roadmap
- **Core enterprise platform:** SAP S/4HANA implemented as the enterprise ERP backbone
- **Planned investment:** PKR 2 billion
- **Operational impact:** End-to-end operational visibility

  Improved planning, control, and decision-making

  Reduced process fragmentation and manual intervention

  Enhanced scalability to support growth and product diversification
- **Governance:** Dedicated Steering Committee with Group and local representation
- **Information security:** Enterprise-wide cybersecurity framework upgrade aligned with global standards.



Marketing

Disciplined Execution and Market-Led Growth

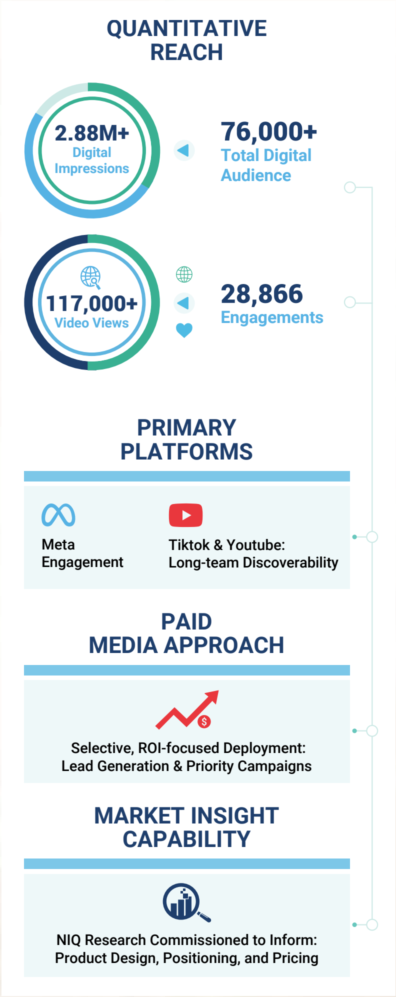
During the year, Marketing played a critical role in translating product strategy and commercial priorities into market demand, dealer activation, and customer engagement. The function focused on disciplined, ROI-oriented execution aligned with sales priorities and dealer realities. Emphasis was placed on measurable outcomes, targeted activation, and capability building rather than short-term visibility alone.

Sustainability within Marketing was driven through efficient use of resources, reduced reliance on high-cost mass media, and data-driven decision-making. By prioritising organic digital content, selective paid media, and customer insight-led planning, marketing initiatives supported responsible spend, reduced wastage, and improved alignment between demand creation and actual market needs.

KEY MARKETING INITIATIVES DURING THE YEAR

- **Digital-first execution with disciplined spend:**
  Digital platforms remained central to marketing execution, with growth driven primarily through organic content rather than excessive paid amplification. The digital audience crossed 76,000, supported by consistent engagement and content performance across Meta, TikTok, and YouTube. Paid media was deployed selectively to support priority campaigns and lead generation, with a clear focus on cost efficiency and measurable contribution to the sales funnel.
- **Integrated campaigns supporting commercialization and dealers:**
  Marketing campaigns were structured to directly support commercialization and dealer activation. Key initiatives during the year included the Green Tractor Scheme, price promotions, and the NH 850 Mita Lift-O-Matic launch. These campaigns were executed through integrated digital, conventional, and on-ground channels to ensure message consistency and effective market reach.
- **Product launch and high-intent market activation:**
  The NH 850 digital launch, conducted in collaboration with OLX and PakWheels, generated strong visibility and engagement, with largely positive customer sentiment, reinforcing confidence in the product narrative. On-ground activations, including Kissan Melas, Agri Expos, and mechanics' training sessions, were focused on high-intent audiences and resulted in qualified sales inquiries, ensuring that marketing activity translated into actionable leads rather than awareness alone.
- **Customer insight and evidence-based decision-making:**
  Marketing strengthened its role as the voice of the customer through the commissioning of a comprehensive NIQ research study. The study assessed farmer and mechanic sentiment, evaluated design and feature concepts, and examined purchase considerations for upcoming product line-ups. Insights informed product positioning, messaging, and pricing considerations, enabling evidence-based decision-making.
- **Capability building and support for future growth:**
  Additional initiatives included the development of a comprehensive corporate product catalogue, the establishment of a centralized call center later optimized for cost efficiency, and continued marketing support for export markets. These efforts strengthened internal capability, improved market clarity, and established a data-backed foundation for future growth.

MARKETING IMPACT AND OUTCOMES



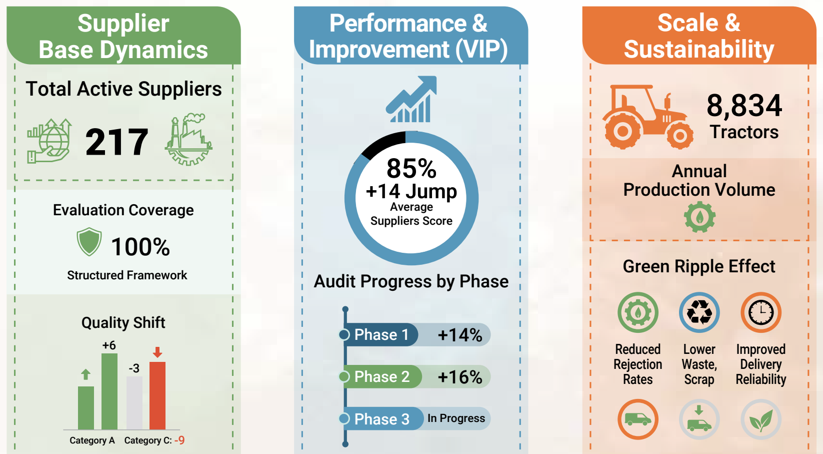
Responsible Sourcing and Sustainable Procurement

During the year, the Purchase Department played a central role in strengthening operational resilience, cost discipline, and supply chain reliability at Al-Ghazi Tractors Limited. The function focused on improving supplier quality, reducing waste and rework, and strengthening delivery performance through structured vendor categorisation, data-driven supplier evaluation, and targeted vendor development initiatives. By prioritising supplier improvement over replacement, procurement supported continuity of supply, cost efficiency, and long-term value creation across the manufacturing ecosystem.

Sustainability within procurement was embedded through responsible sourcing practices, supplier capability building, and a focus on waste reduction and efficiency across the supply chain. By strengthening supplier performance, reducing rejection rates, and improving delivery reliability, procurement initiatives contributed to lower material waste, reduced rework, fewer disruptions, and a lower environmental footprint associated with procurement activities.

KEY PROCUREMENT INITIATIVES DURING THE YEAR

- **Data-driven supplier segmentation and performance governance:**
A revised vendor categorisation and performance scoring framework was implemented to enable objective evaluation based on quality, delivery, and compliance. During the year, the supplier base comprised 217 active suppliers, all monitored through structured scorecards and audit-based evaluations. As a result of these measures, the average overall supplier performance score improved from 71% to 85%, reflecting measurable gains in quality, reliability, and consistency.
- **Vendor development over vendor replacement:**
Rather than replacing underperforming suppliers, the Company prioritised upgrading existing vendors through structured improvement programs. This approach supported local vendor upliftment, strengthened long-term partnerships, and reduced the environmental and operational costs associated with supplier churn and repeated qualification cycles.
- **Vendor Improvement Program and capability building:**
A phased Vendor Improvement Program was executed, supported by targeted capability-building initiatives, including standardised costing format training to improve transparency, predictability, and informed decision-making. During the year, 33 vendors transitioned through category improvements, with measurable gains recorded across audit scores and performance tiers. Phase 3 of the program remained in progress at year-end, reinforcing continuous improvement.
- **Waste reduction and rejection control:**
Category-wise targets were set to reduce rejection ratios across castings, forgings, hardware, sheet metal, and other components. Comparison of 2024 rejections, 2025 targets, and 2025 actuals demonstrated a downward trend in rejection rates, reducing material waste, rework, and scrap while improving yield and resource efficiency across the supply chain.
- **Supply chain efficiency and environmental impact reduction:**
Improved supplier quality and consolidation of sourcing towards stronger-performing vendors resulted in fewer delivery disruptions, improved delivery reliability, and reduced repeat shipments. These efficiencies contributed to a lower environmental footprint by minimising unnecessary logistics movements, rework, and material losses.



Internal Audit and Sustainable Governance

Strong internal controls are fundamental to sustainable growth. By identifying process gaps, strengthening compliance frameworks, and enhancing control mechanisms, Internal Audit supports responsible resource utilization, financial integrity, fraud prevention, and long term operational resilience. Effective audit oversight reduces control weaknesses, minimizes operational leakages, and reinforces stakeholder confidence.

KEY ACTIVITIES AND PROCESS IMPROVEMENTS DURING THE YEAR

During 2025, Internal Audit continued to strengthen operational and governance controls across the organization. As part of regular audit reviews, more than 60 audit observations were identified and tracked, contributing to structured and measurable business process improvements.

KEY FOCUS AREAS INCLUDED

Contract Governance and Third Party Oversight
Reviews of contract management practices with third party service providers led to strengthened documentation controls, improved approval workflows, and enhanced monitoring mechanisms.

Procurement and Quality Assurance Controls
Recommendations aligned with industry best practices were provided to enhance procurement governance, vendor oversight frameworks, and quality assurance controls, reducing process variability and operational risk.

Scrap Auction Process Enhancement
Internal Audit supported the streamlining of scrap auction methodology by improving procedural clarity, documentation discipline, and transparency in asset disposal processes.

Fire, Safety, and Security Protocol Reinforcement
Audit observations contributed to strengthening fire safety monitoring, emergency preparedness controls, and plant security protocols, reinforcing risk mitigation at operational sites.

Product Development SOP Implementation
Internal Audit facilitated the formalization and implementation of Standard Operating Procedures within Product Development, improving process consistency, accountability, and cross functional alignment.

Recognition
During the year, Al-Ghazi's Internal Audit function was formally recognized by Al-Futtaim Group management for its strong governance standards and execution excellence, receiving an internal award in acknowledgment of its performance and contribution to strengthening control maturity across the organization.

INTERNAL AUDIT IMPACT (2025)

- Independent Board supervised Internal Audit function
- Risk based annual audit plan approved by Audit Committee
- 60+ audit observations raised and monitored
- Strengthened third party contract governance
- Enhanced procurement and quality control frameworks
- Improved transparency in scrap auction processes
- Reinforced plant level safety and security controls
- Formalized Product Development SOP governance
- Internal recognition from Al-Futtaim Group for audit excellence

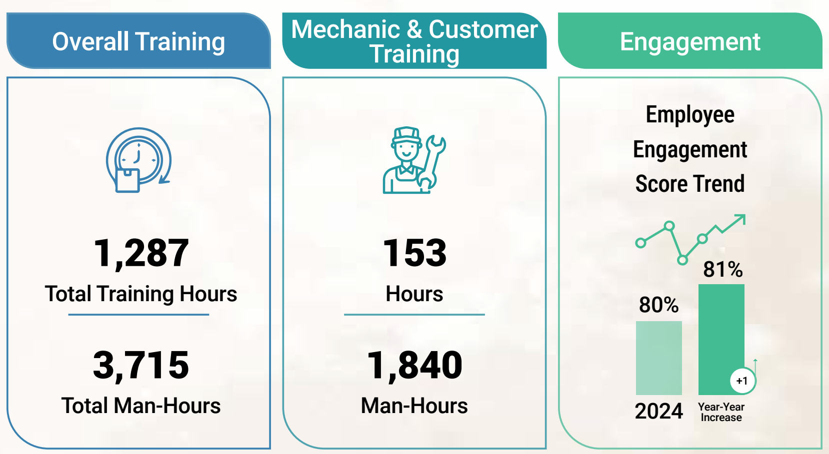
Human Resource
People at the Heart of Performance

During the year, the People & Culture agenda at Al-Ghazi Tractors Limited focused on building a high-performance, values-driven organization where capability development, employee engagement, and cultural alignment supported sustainable business outcomes. Structured initiatives were implemented to strengthen leadership effectiveness, enhance technical capability, promote inclusion, and reinforce a strong sense of organizational identity aligned with AGTL and Al-Futtaim's core values of Respect, Integrity, Collaboration, and Excellence.

Sustainability within People & Culture was embedded through long-term capability building, leadership development, inclusive practices, and employee engagement initiatives that support organizational resilience, continuity, and performance over time.

KEY PEOPLE & CULTURE INITIATIVES DURING THE YEAR

- **Employee engagement and leadership connect:** Leadership visibility and employee dialogue were strengthened through Nashist-e-Khaas, a structured employee listening and engagement initiative conducted across key locations, including Lahore, Multan, and the D.G. Khan Plant. These sessions enabled direct interaction between employees and senior leadership, providing a forum for open discussion on operational challenges, improvement opportunities, and organizational priorities, reinforcing transparency, trust, and shared ownership.
- **Leadership development and cross-functional collaboration:** As part of its leadership capability agenda, AGTL expanded Unite & Ignite, an in-house leadership intervention focused on building high-impact teams and strengthening cross-functional collaboration. Delivered to managers and senior leadership across corporate and plant locations, the program equipped participants with practical tools to foster constructive dialogue, manage workplace conflict, and enhance collaboration, supporting consistent leadership behaviours and improved organizational effectiveness.
- **Technical capability and workforce development:** AGTL continued to invest in technical capability development as a driver of operational excellence. Under the AGTL Technical Training Program, shop-floor employees completed over 1,200 hours of structured on-the-job technical training at the D.G. Khan Plant. Employees demonstrating exceptional commitment and performance were recognized as On-the-Job Training Champions, reinforcing a culture of continuous learning, skill enhancement, and pride in craftsmanship.
- **Diversity, inclusion, and employee wellbeing:** Diversity and inclusion initiatives remained integral to the People & Culture framework. International Women's Day was commemorated across the organization to recognize the contributions of women employees and reaffirm the Company's commitment to equity and inclusion. Employee-led engagement and community-building initiatives were also encouraged, including engagement sessions at Plant Staff Town that supported dialogue, idea-sharing, and employee wellbeing beyond the workplace.
- **Celebrating national identity and shared values:** AGTL marked key National Days, including Pakistan's Independence Day, across offices and plant locations. These celebrations reinforced shared values of unity, resilience, and progress, strengthening organizational identity and collective purpose across the workforce.



- **Values-based recognition:** Organizational culture was reinforced through structured recognition initiatives, including the Value Awards, which recognized employees who consistently demonstrated behaviours aligned with AGTL and Al-Futtaim values. These initiatives supported the embedding of desired behaviours and sustained a strong values-driven culture.
- **Communication and organizational alignment:** The year concluded with a Year-End Townhall, providing a platform for leadership to share performance highlights, recognize collective contributions, and communicate strategic priorities. The Townhall reinforced transparency, alignment, and shared purpose across the organization.

PEOPLE & CULTURE IMPACT AND OUTCOMES (2025)

- **Total training hours:** 1,287 hours
- **Total training man-hours:** 3,715 man-hours
- **Mechanic and customer training:** Total hours: 153 Total man-hours: 1,840
- **Employee engagement scores:** 2024: 80% 2025: 81%

Legal & Regulatory Affairs

STRENGTHENING GOVERNANCE AND COMMERCIAL PROTECTION

The Legal function plays a critical role in safeguarding Al-Ghazi Tractors Limited's regulatory compliance, contractual integrity, and commercial interests. During the year, the department focused on strengthening dealership frameworks, supporting strategic commercial agreements, and ensuring compliance with evolving regulatory requirements.

LEGAL AND GOVERNANCE

Robust legal oversight supports sustainable business operations by ensuring contractual clarity, regulatory alignment, and disciplined commercial engagement. By proactively managing legal risk and strengthening documentation frameworks, the Legal function contributes to operational stability and long-term institutional resilience.

WHAT WE DID

NEW DEALERSHIP AGREEMENT FRAMEWORK

A revised dealership agreement was drafted to better support AGTL's evolving business model and commercial strategy. The agreement was formally approved by the Competition Commission of Pakistan through its order dated 13 October 2025. During the year, 46 new dealership agreements were successfully executed under the updated framework, strengthening distribution governance and regulatory compliance.

EXECUTION OF GREEN TRACTOR SCHEME AGREEMENTS

The Legal team successfully supported the execution of Green Tractor Scheme agreements across both High Horsepower and Medium Horsepower segments with the Agriculture Department. These agreements ensured contractual clarity, compliance adherence, and structured participation in government-supported mechanization programs.

COMMERCIAL CONTRACTING & ADVISORY

During the year, 38 commercial contracts were drafted, reviewed, negotiated, and finalized across various operational and institutional engagements. These included vendor agreements, institutional sales contracts, and strategic commercial arrangements, ensuring risk mitigation and alignment with Company policy.

LEGAL IMPACT AND OUTCOMES

- Strengthened regulatory compliance through CCP-approved AGTL dealership agreement framework
- Standardized contractual structures across dealership network
- Enabled structured participation in government programs
- Reduced contractual ambiguity and commercial exposure
- Supported operational continuity through disciplined legal oversight.

Organizational Activities

BCRA AWARD RECOGNITION

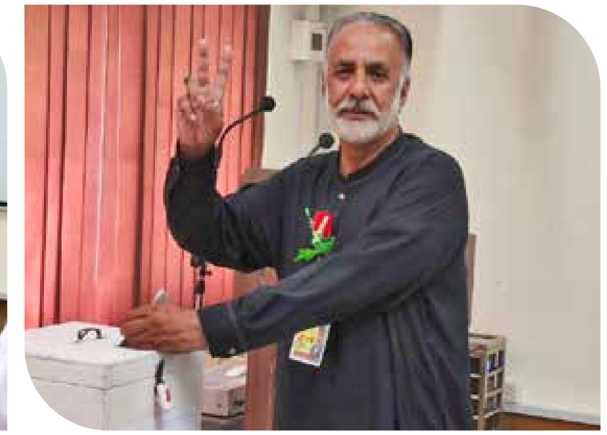
Al-Ghazi was honored at the Best Corporate & Sustainability Report Awards for excellence in reporting and disclosure. The recognition reflects strengthened governance practices, transparency, and disciplined ESG integration, reinforcing stakeholder confidence in the Company's reporting standards and institutional maturity.

UNITE & IGNITE – CONFLICT RESOLUTION INITIATIVE

The Company launched its first in-house cross-functional collaboration program, bringing senior leaders together to address silos and strengthen communication. The initiative concluded with the signing of Al-Ghazi's first Commitment Charter, embedding shared accountability and respectful dialogue into organizational culture.

NASHIST-E-KHAS LEADERSHIP DIALOGUES

Structured townhall-style sessions were held at DG Khan Plant, including a dedicated women-only forum, enabling direct engagement between leadership and frontline teams. These sessions institutionalized open dialogue and strengthened trust, transparency, and employee voice across operational levels.



TRADE UNION REFERENDUM 2025

Al-Ghazi conducted its Trade Union Referendum through a transparent and structured process, reaffirming commitment to democratic representation and constructive workforce engagement. The initiative strengthened industrial relations and reinforced the Company's culture of dialogue and institutional fairness.

5S WORKPLACE CERTIFICATION PROGRAM

A formal 5S training and certification initiative was implemented at DG Khan Plant to enhance workplace organization, safety standards, and operational efficiency. The program reinforced continuous improvement principles and strengthened discipline across production environments.

INDUCTION & PLANT IMMERSION PROGRAM

New employees participated in immersive onboarding tours at the DG Khan Plant, providing early exposure to manufacturing operations, safety practices, and cross-functional collaboration. The initiative strengthened engagement and accelerated integration into the Company's operational ecosystem.

PARTICIPATION IN PAKISTAN'S FIRST WOMEN'S CAREER FAIR

The Company participated in Pakistan's inaugural Women's Career Fair, reinforcing commitment to inclusion within engineering and manufacturing sectors. The initiative strengthened employer branding and showcased pathways for women in technical roles.

POTLUCK GATHERING AT AL-GHAZI

Al-Ghazi hosted a potluck gathering that brought employees together over shared meals and diverse flavors. The event encouraged collaboration, cultural exchange, and team bonding beyond the workplace, creating a warm and inclusive environment where colleagues connected, celebrated, and strengthened relationships through simple moments of togetherness.

CLEAN WATER INFRASTRUCTURE – STAFF COLONY

A new water supply system including upgraded pipelines, filtration units, and turbine support was installed at the DG Khan Staff Colony. The project improved daily living standards for employees and families, reflecting investment in workforce welfare infrastructure.

FIRST FULLY DIGITAL PRODUCT LAUNCH

The Orange Scheme was unveiled through Al-Ghazi's first fully digital launch format, modernizing stakeholder engagement and demonstrating agile communication capability. The initiative reduced logistical overhead while expanding audience accessibility.

AI-GENERATED CORPORATE COMMUNICATION

Al-Ghazi produced Pakistan's tractor industry's first fully AI-generated corporate video message, signaling digital experimentation and cost-conscious storytelling. The initiative demonstrated innovation in communication while reducing traditional production expenditure.

AL-GHAZI SIGNS AGREEMENT WITH WAPDA

Al-Ghazi marked a key milestone by signing an institutional sales agreement with the Water and Power Development Authority (WAPDA). The partnership formalized our commitment to supplying reliable, high-performance tractors for WAPDA's operations and reinforced our position as a trusted partner for large-scale public-sector projects.

TOY DONATION DRIVE – CHILDLIFE FOUNDATION

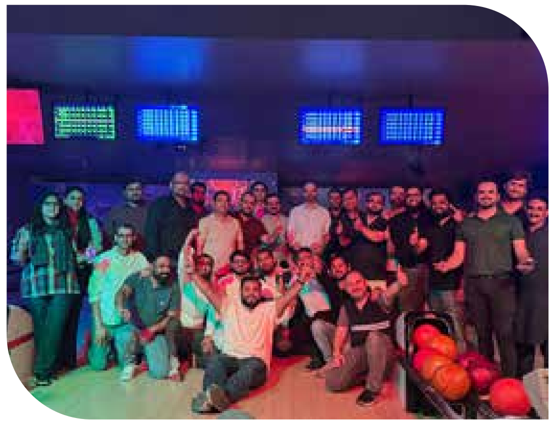
Employees contributed over 100 toys to children receiving emergency care at Mayo Hospital in collaboration with ChildLife Foundation. The initiative reflected collective volunteerism and strengthened Al-Ghazi's community engagement footprint beyond core business operations. Senior leadership participation further reinforced the Company's culture of empathy, encouraging employees to translate corporate responsibility into tangible human impact.

AFTERSALES ACHIEVES RECORD-BREAKING PERFORMANCE

During the year, Aftersales delivered its strongest 11-month performance in Al-Ghazi's 42-year history, achieving 18% growth despite a challenging environment. This milestone reflected strong execution, collaboration, and team commitment. The achievement was marked with a celebration at the Multan office, setting a new benchmark for performance and impact.

TEAM SPIRIT ON BOWLING NIGHT

In a wonderful display of team spirit, employees from the Lahore Corporate and Marketing Offices came together for an unforgettable Bowling Night followed by a group dinner. What made the evening special was that it was entirely employee-led, reflecting AGTL's culture of collaboration, unity, and shared ownership beyond work. The night was filled with friendly competition, laughter, and connection as colleagues bowled, unwound, and strengthened bonds, reminding us that our greatest strength lies in our togetherness, both on and off the job.



CORPORATE BRIEFING SESSION 2025

The Company hosted its annual Corporate Briefing Session with over 50 investors and analysts, providing detailed performance insights and reinforcing commitment to transparency, accountability, and open stakeholder dialogue.

REGISTERED OFFICE RELOCATION

The registered office was successfully relocated from Karachi to Lahore through a structured Extraordinary General Meeting process, strengthening operational centralization and regulatory alignment.

IN-HOUSE SAP CAPABILITY DEVELOPMENT

SAP consulting capabilities were successfully transitioned in-house, reducing external dependency by over 70 percent. This shift enhanced real-time system responsiveness, strengthened digital autonomy, and improved operational alignment across Finance, HR, Procurement, and Plant operations.

INTRODUCTION OF RISK CHAMPIONS

As part of strengthening enterprise risk governance, Al-Ghazi introduced departmental Risk Champions to support proactive risk identification and monitoring. These designated representatives work closely with the central risk function to enhance accountability, improve early risk detection, and embed structured risk awareness across operational and administrative functions.

FACTORY TEST-DRIVE VALIDATION TRACK

A dedicated test-drive track was established at the factory to enhance pre-delivery quality validation. This operational improvement strengthened product assurance processes and reinforced the Company's focus on reliability and customer confidence.

CONTINUOUS FLOW PRODUCTION LINE ENHANCEMENT

Plant teams restructured manufacturing lines into continuous flow systems, significantly improving production speed and efficiency without increasing manpower. The initiative strengthened operational agility and improved resource utilization under top-line pressure.

WOMEN-ONLY NASHIST-E-KHAS

A dedicated engagement session was conducted to amplify women's perspectives within the organization. The forum encouraged candid dialogue, strengthened representation, and reinforced the Company's commitment to inclusive workplace practices.

AGTL SAVINGS STARS INITIATIVE

A cross-functional cost optimization platform was introduced to embed financial discipline into daily operations. Representatives from multiple departments collaboratively identified efficiency opportunities, reinforcing a culture of ownership, accountability, and structured cost management.

CRISIS COMMITTEE FORMATION

A formal Crisis Committee was established to manage national disruptions including border tensions and environmental emergencies. The structured framework strengthened business continuity planning and institutional preparedness under volatile external conditions.

PUBLICATION OF FIRST SUSTAINABILITY REPORT

Al-Ghazi published its first standalone Sustainability Report, formalizing ESG disclosures and strengthening structured environmental and social reporting.
The milestone marked a step toward enhanced transparency and long-term sustainability governance.

BRING YOUR KIDS TO WORK DAY

Al-Ghazi hosted a Bring Your Kids to Work Day, opening our doors to employees' families. Children explored the workplace, learned about what we do, and connected with their parents' roles. The day fostered pride, curiosity, and a sense of belonging, creating meaningful memories for both employees and their children.

06

Corporate Governance

Corporate Governance

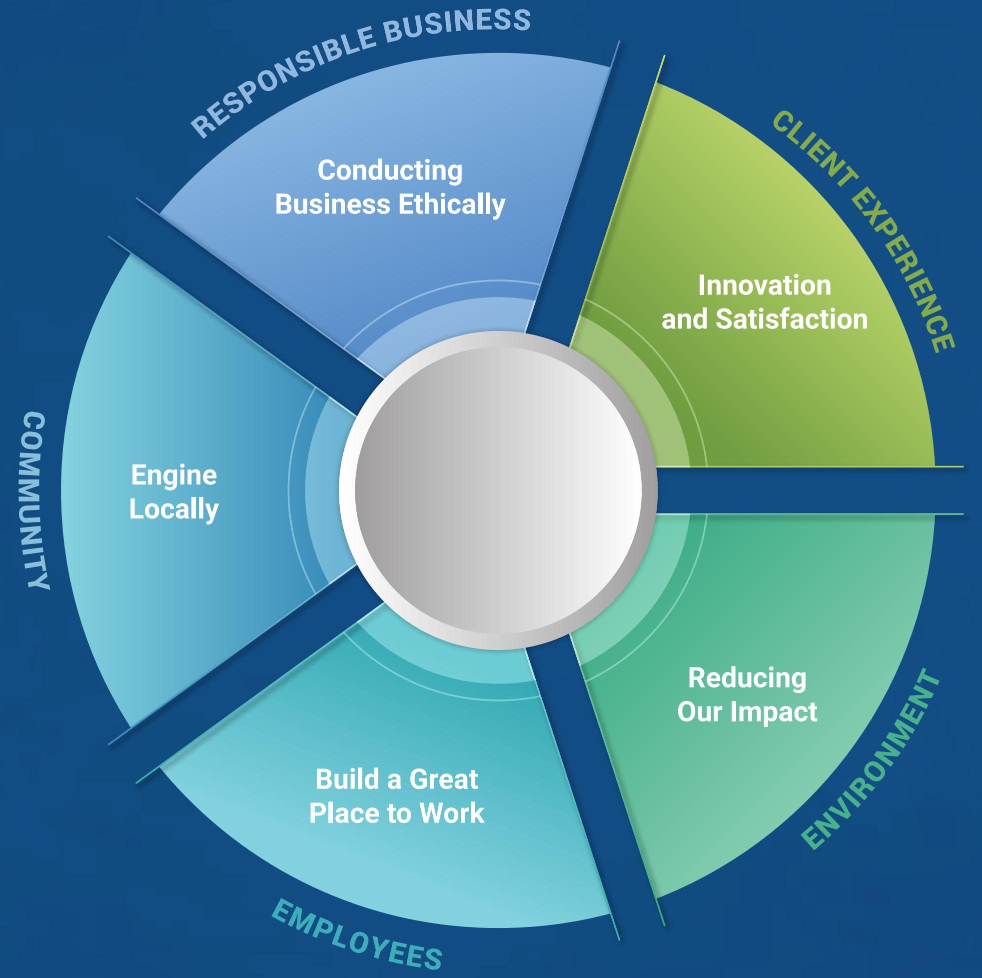
GOVERNANCE PHILOSOPHY & FRAMEWORK

Corporate Governance represents the framework of rules, practices, and processes by which a company is directed, managed, and controlled. It provides the foundation for accountability, transparency, and ethical conduct, guiding decision-making and shaping the Company's relationship with its stakeholders.

At Al-Ghazi Tractors Limited, the Board of Directors remains firmly committed to upholding robust corporate governance standards and discharging its responsibilities to all stakeholders, including shareholders, employees, customers, and the broader community. The Board recognizes that strong governance is essential for sustainable growth, effective risk management, and long-term value creation.

In pursuit of this commitment, the Company has fully implemented all corporate governance reforms prescribed by the regulators and has established a comprehensive governance framework aligned with the Revised Code of Corporate Governance, 2019. These practices are designed to reinforce transparency, accountability, and integrity, ensuring that the Company's strategic and operational decisions are consistently made in the best interests of the Company and its stakeholders.

The Company remains dedicated to maintaining these high standards of governance and will continue to periodically review and enhance its governance framework to meet evolving regulatory requirements and stakeholder expectations.



INDEPENDENT DIRECTORS

The Board of Directors comprises three (3) Independent Directors, namely Mr. Shahid Toor, Ms. Samiha Zahid, and Mr. Malik Mirza. These Independent Directors are not involved in the day-to-day management of the Company and have no business, financial, or other relationships that could interfere with, or materially affect, the exercise of their independent judgment.

In accordance with Section 166(1) of the Companies Act, 2017, the Board has exercised due diligence in the selection of 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 Securities and Exchange Commission of Pakistan (SECP), in compliance with the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

All Independent Directors have provided their consent to act as directors, along with the requisite declarations to the Company confirming that they meet the criteria of independence as prescribed 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-balanced Board of Directors, comprising a diverse group of highly qualified professionals who collectively bring a broad mix of core competencies, skills, knowledge, and extensive

experience. This diversity of expertise and perspectives enhances the quality of deliberations and supports informed and effective decision-making at the Board level.

The Company remains committed to promoting gender diversity on the Board of Directors and is represented by one female director, in line with its governance objectives and regulatory expectations.

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 who is not serving as Non-Executive Director in any other company.

ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

As part of its commitment to sound corporate governance practices, the Company follows the principle of separation of powers by appointing separate individuals to the roles of Chairman of the Board of Directors and Chief Executive Officer. This separation ensures a clear distinction between leadership of the Board and executive management, thereby strengthening oversight and accountability.

In accordance with Section 192(2) of the Companies Act, 2017, the Board of Directors of Al-Ghazi Tractors Limited has clearly defined and approved the respective roles and responsibilities of the Chairman and the Chief Executive Officer (CEO) of the Company, as outlined below:

ROLE OF CHAIRMAN

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

- Presiding as the chair at all General Meetings of the Company.
- Ensuring necessary arrangements for Polls/Secret Balloting/via Postal Ballots and announcing results at general meetings.
- Leading the board and ensuring its effectiveness in fulfilling its responsibilities.
- Preparing a review report on the overall performance of the Board of Directors and assessing the effectiveness of the Board in achieving the Company's objectives.
- Developing and setting agendas for Board meetings.
- Ensuring timely circulation of meeting agendas, notices, and relevant materials, allowing adequate time for discussion.
- Providing proper information to Directors for informed decision-making.
- Overseeing the accurate recording of Board meeting minutes and reviewing and signing them.
- Ensuring compliance with laws in maintaining Board meeting minutes.
- Providing facilities for the smooth conduct of general shareholder meetings.
- Declaring quorum to conduct and conclude shareholder meetings in accordance with the law.
- Ensuring the Board fulfills its responsibilities effectively.
- Issuing letters to directors at the beginning of each three-year term outlining their roles, obligations, powers, and responsibilities.
- Safeguarding shareholders' interests in the Company.

ROLE OF CHIEF EXECUTIVE OFFICER

The CEO, subject to the control and direction of the Board, holds the authority to manage the Company's affairs. In this capacity, the CEO's roles and responsibilities include following:

- Planning, formulating, and implementing strategic policies.
- Ensuring the achievement of productivity and profitability targets and overseeing efficient Company operations.
- Facilitating coordination between various Company departments for smooth and effective operations.
- Maintaining an ongoing dialogue with the Directors regarding changes in and implementation of Company policies, as well as the performance and development of the Company's business.
- Ensuring the proper protection and maintenance of the Company's interests and assets, and timely compliance with all required government obligations.
- Maintaining close liaison with the Government, customers, suppliers, and sales offices.
- Developing human resource policies to achieve high professional standards and overall progress for the Company.
- Ensuring proper succession planning at all levels of the Company's hierarchy, consistently updating the plans.
- Overseeing the proper functioning of the Management Committees within the Company.
- Preparing and presenting to the Board of Directors reports on the annual business plan, cash flow projections, long-term plans, budgets (including capital, manpower, and overhead budgets), along with variance analysis.
- Keeping the Board informed of quarterly operating results, segmented by operating divisions, and addressing any changes in laws, rules, regulations, and accounting standards that may affect the Company.
- Reviewing performance against budgets/targets, analyzing revenue and capital expenditures, profits, and other critical administrative, commercial, and personnel-related matters.

- Creating an open and progressive atmosphere among employees, fostering a sense of participation, and providing opportunities for them to perform at their best.

ROLE OF THE BOARD OF DIRECTORS

The Board recognizes the critical importance of transparency, accountability, and effective engagement with stakeholders. It remains firmly committed to ensuring that the Company is managed with integrity and that all operations are conducted ethically and in full compliance with applicable laws, regulations, and best practices.

To support these objectives, the Board regularly reviews and updates the Company's policies and procedures and oversees their effective implementation across all functions. In addition, strong emphasis is placed on employee training and development initiatives to foster a culture of ethical conduct, compliance, and professional excellence throughout the organization.

During the year 2025, the Board actively oversaw management's performance in executing the Company's strategies, particularly in a challenging business environment. The Board closely monitored the Company's financial position, reviewed key financial matters, and approved the financial statements. It also evaluated business operations, development plans, and budgets, and approved necessary revisions to policies and governance frameworks.

Furthermore, the Board prioritized the formulation and implementation of standardized operating procedures (SOPs) across all departments to enhance consistency, efficiency, and internal controls.

Looking ahead to 2026, the Board will continue to focus on these key areas while proactively monitoring changes in the business, economic, and regulatory landscape. It remains committed to upholding the highest standards of corporate governance and ethical conduct, while supporting sustainable growth and long-term value creation for shareholders and other stakeholders.

MATTERS DELEGATED TO THE MANAGEMENT

Management is responsible for the effective and ethical conduct of the Company's day-to-day operations, ensuring that routine business activities are carried out in accordance with the policies, directives, and decisions approved by the Board of Directors. Management is also tasked with identifying and managing key risks and opportunities that may impact the Company's performance and sustainability, while keeping the Board appropriately informed of any material developments.

In addition to operational responsibilities, Management is responsible for the preparation and presentation of the Company's financial statements in compliance with applicable accounting and financial reporting standards, as well as for establishing and maintaining adequate internal control systems. The Board, in turn, provides oversight of the financial reporting process and ensures that the financial statements present a true and fair view of the Company's financial position, performance, and cash flows.

Management plays a pivotal role in executing the strategic direction set by the Board. This includes the implementation of approved strategies, preparation of business plans and budgets, and monitoring of key operational and financial performance indicators. Management also works closely with the Board to identify, assess, and respond to emerging risks and opportunities that may affect the Company's long-term growth and resilience.

The Company has established a robust corporate governance framework that ensures effective oversight, management, and control of the Company's affairs. The Board and Management work in close coordination to foster a culture of transparency, accountability, and ethical conduct, with a shared commitment to the sustainable success of the Company and value creation for its stakeholders.

MANAGEMENT COMMITTEES

To further strengthen governance and operational effectiveness, the Company has constituted the following management committees and approved their respective Terms of Reference (TORs):

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

BOARD STATEMENT ON ETHICS AND COMPLIANCE

The Board reaffirms its unwavering commitment to upholding the highest standards of ethics, integrity, and compliance across all aspects of the Company's operations. Guided by the Al-Futtaim Group Code of Conduct and Ethics, the Board ensures that ethical behavior, transparency, and accountability are embedded in the Company's culture and decision-making processes. The Company maintains a zero-tolerance approach toward bribery, corruption, fraud, harassment, and unethical conduct, with all employees and relevant stakeholders expected to comply with applicable laws, regulations, and internal policies.

The Board promotes strong governance practices that go beyond legal compliance, including robust disclosures, rigorous health, safety, and environmental standards, and high-quality management and reporting, recognized through awards from professional bodies. It also emphasizes responsible business conduct through clear expectations on integrity, fair treatment, conflict of interest management, and ethical engagement with all stakeholders. Mechanisms are in place to address breaches of the Code of Conduct, ensure accountability, and protect whistleblowers.

Through these measures, the Board underscores AGTL's commitment to sustainable value creation, regulatory confidence, and stakeholder trust, aligning the Company's operations with global best practices and the principles of ESG and UN Sustainable Development Goal 16 – Peace, Justice, and Strong Institutions. For further details, please refer to the Code of Conduct contained in this report.

EVALUATION OF BOARD'S PERFORMANCE, ITS MEMBERS AND COMMITTEES

The Company has established a formal process for the annual appraisal of the Board, its individual members, and its Committees. The evaluation is conducted through a structured questionnaire covering key areas, including:

- Board organization and composition
- Board meetings and supporting materials
- Board responsibilities and overall performance

- Interaction with management and key stakeholders
- Functioning of the Audit Committee, internal audit, and corporate reporting
- Performance of the Board Committees

The questionnaire also includes an assessment of the Chairman of the Board, focusing on leadership and effectiveness in guiding Board meetings. The evaluation results and feedback are consolidated and presented to the Board, and the Chairman communicates the final outcomes following compilation.

BOARD PERFORMANCE EVALUATION BY AN EXTERNAL CONSULTANT

The Board conducts its performance evaluation entirely in-house. No external consultants are engaged, and the process ensures a thorough assessment of the Board's effectiveness, governance practices, and strategic oversight.

DIRECTORS' ORIENTATION

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.

DIRECTORS' TRAINING PROGRAM

Since this requirement is not mandatory at present, all directors of the Company are highly qualified and experienced, bringing extensive expertise to the Board.

findings reviewed by the Audit Committee. Appropriate corrective actions are taken, or matters are escalated to the Board where necessary.

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 contained in this report.

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

INTERNAL AUDIT

The Company maintains a strong internal control framework, which is continuously assessed for effectiveness and adequacy. Oversight by the Audit Committee is central to achieving operational, compliance, risk management, financial reporting, and control objectives, thereby safeguarding the Company's assets and protecting shareholders' interests.

The internal audit function operates in accordance with an approved annual audit plan, with significant findings reviewed by the Audit Committee. Appropriate corrective actions are taken, or matters are escalated to the Board where necessary.

Mechanisms are in place for staff and management to report, on a confidential basis, any concerns regarding potential improprieties in financial or other matters to the Audit Committee. Prompt remedial and mitigating measures are implemented as required. The Head of Internal Audit has direct access to the Chairman of the Audit Committee, and the Committee ensures that the internal audit function has unrestricted access to management and the authority to obtain necessary information and explanations.

RISK MANAGEMENT

The Company maintains a dedicated Risk Management function focused on identifying, assessing, and mitigating risks that may impact its operations. This function evaluates the likelihood, potential impact, and urgency of risks, enabling management to prioritize efforts on the most critical areas. The Head of Risk Management provides periodic updates on key risks and mitigation strategies to the Audit Committee.

RELATED PARTIES

Disclosures relating to related parties are included in the Financial Statements section of this Annual Report, prepared in accordance with applicable accounting and reporting standards. These disclosures provide details of the name, nature of the relationship, and percentage of shareholding of related parties, including associated companies, with whom the Company has entered into transactions or maintains arrangements/agreements. All related party transactions are appropriately reported in the Financial Statements along with other requisite disclosures.

The Company follows a strict policy of compliance with corporate laws and regulations concerning related party transactions. All such transactions, along with relevant information, are presented to the Audit Committee for quarterly review. Following the Committee's review, the transactions are submitted to the Board for consideration and approval, taking into account the Committee's recommendations. Directors are also required to disclose any interests in accordance with applicable corporate laws and regulations.

CONFLICT OF INTEREST AMONG BOARD MEMBERS

Directors are required to disclose, at the time of their appointment and throughout their tenure, any directorships they hold in other corporate entities. In accordance with the Companies Act, 2017, each director must provide the Board with full details of any material transaction that could give rise to a conflict of interest with the Company.

The Company announces closed periods during which directors are prohibited from trading in the Company's shares. These periods apply prior to Board meetings involving the announcement of interim or final results, distributions to shareholders, or any other business decisions that could materially affect the share price. Directors are also required to immediately disclose any transactions in the Company's shares to the Company Secretary. All trading by directors or executives, as well as related party transactions, are fully disclosed in the Company's financial statements.

No conflicts of interest were reported during the year 2025.

POLICY FOR CONFLICTS OF INTEREST AMONG BOARD MEMBERS, AND MANAGEMENT OF CONFLICT OF INTEREST

All business decisions on behalf of the Company are made with the primary objective of serving the Company's best interests. Directors are required to avoid any actual or potential conflict of interest, particularly those arising from personal or family considerations, to ensure that their judgment remains independent and focused on what is most appropriate for the Company.

POLICY ON DIRECTORS' REMUNERATION

The Board of Directors follows a formal policy and transparent procedures for director remuneration in compliance with applicable corporate laws and regulations. Under this policy, only Independent Directors are entitled to receive fees for attending Board and Committee meetings, as approved by the Board.

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.

SECURITY CLEARANCE OF FOREIGN DIRECTORS

Foreign Directors on the Board are required to submit all relevant documents, including declarations, undertakings, and any other paperwork necessary to facilitate security clearance procedures conducted by the Ministry of Interior. The Company ensures the timely submission of these documents to the SECP's Company Registration Office (CRO), in full compliance with prescribed timelines.

The Company also actively supports the clearance process for Foreign Directors by cooperating with the Ministry of Interior and other relevant authorities. Where required, the Company provides all necessary documentation to facilitate the process. This practice underscores the Company's commitment to regulatory compliance and its dedication to maintaining a transparent and accountable governance framework.

BOARD MEETINGS HELD OUTSIDE PAKISTAN

No Board meeting was held outside Pakistan during the year.

Human Resource Management

The Company is committed to developing a skilled, motivated, and high-performing workforce, essential for achieving organizational growth and long-term success. Our HR strategy emphasizes merit-based recruitment, performance-driven appraisals, and transparent promotion, reward, and motivation practices, ensuring that talent is recognized and nurtured across all levels of the organization.

We provide continuous learning and development opportunities through technical, professional, and leadership training programs, fostering critical thinking, creativity, and career growth. Employee engagement and feedback mechanisms are embedded across all operations, promoting collaboration, inclusivity, and a culture of open communication. Our Diversity, Equity & Inclusion (DE&I) policy ensures a respectful and equitable workplace, reflecting the Company's commitment to fairness and professional excellence.

DIVERSITY POLICY

The Company is committed to being an equal opportunity employer, free from discrimination based on gender, caste, creed, religion, ethnicity, color, or any other personal characteristic. The Company promotes a merit-based environment, ensuring fair and equal treatment of all employees.

In all aspects of human resources management, from shortlisting and hiring, to compensation and benefits, promotions, transfers, professional development, social and recreational activities, and terminations, the Company remains committed to non-discrimination and impartiality. All decisions are made based on employees' abilities and suitability for their roles, ensuring that fairness and merit guide every employment-related action.

SUCCESSION PLANNING

Succession planning is a key focus of the Company's HR strategy. We identify high-potential individuals and develop them for critical roles through tailored training programs, advanced skill-building workshops, and specialized management courses. This approach ensures a strong pipeline of future leaders capable of sustaining organizational growth and supporting seamless leadership transitions.

PERFORMANCE AND REWARDS

Performance excellence is encouraged through a structured performance appraisal system, linked to merit-based rewards and recognition. Our reward framework is designed to motivate employees, benchmarked against industry best practices, and tailored to meet the diverse needs of our workforce.

TRAINING, DEVELOPMENT, AND ENGAGEMENT

Continuous training and development initiatives enhance employees' technical, professional, and leadership capabilities. Employee engagement programs, feedback systems, and clear communication channels strengthen workplace satisfaction, collaboration, and retention, contributing to overall organizational effectiveness.

Through these initiatives, AGTL ensures that its workforce is skilled, engaged, and prepared to meet current and future business challenges, driving sustainable growth and long-term success.

Social and Environmental Responsibility

The Company is strongly committed to corporate social responsibility, reflecting its conscientious role within the wider community. This commitment is demonstrated through active support for a range of social, charitable, and community development initiatives, aimed at creating meaningful impact and contributing to sustainable societal progress.

The Company also places significant emphasis on environmental stewardship, ensuring that its operations and products comply with all applicable environmental laws and regulations. Continuous improvements are made to the Company's environmental management systems to meet or exceed recognized standards and to adapt to evolving regulatory and sustainability requirements.

AGTL actively promotes environmental sustainability through initiatives such as recycling, resource conservation, pollution prevention, product innovation, and employee awareness programs. The Company ensures that no hazardous materials are released from its plant and engages with suppliers and contractors to communicate environmental expectations, encouraging responsible practices throughout the value chain.

MANAGING AND REPORTING KEY POLICIES

The Company is committed to managing and reporting key practices, including procurement, waste, and emissions, in a transparent and sustainable manner. Its approach emphasizes strict regulatory compliance, continuous improvement through stakeholder engagement, and adoption of best practices to reduce environmental impact and enhance resource efficiency. Through effective management systems, regular monitoring, and performance tracking, AGTL strives to optimize procurement processes, minimize waste, and mitigate emissions, demonstrating its commitment to responsible corporate citizenship and long-term sustainable value creation.

EMPLOYEE HEALTH, SAFETY AND PROTECTION

The well-being and safety of our employees and contract workers are a top priority for the Company. Our in-house Environment, Health, and Safety (EHS) framework plays a central role in promoting a culture of safety across all business operations. Recognizing that employees perform best when they can balance work and family responsibilities, the Company has implemented programs that support work–life harmony and promote overall health and wellness.

WHISTLE BLOWING POLICY

The Company has established a whistleblowing framework to detect and prevent wrongdoing in the preparation and presentation of financial reports, maintenance of records, and implementation of internal controls essential to its financial and operational systems. Employees may also report violations of the Company's Code of Conduct, which is signed by all personnel. This framework enhances the Company's ability to identify potential fraud and provides stakeholders with additional assurance.

Under the policy, employees can report suspected irregularities to the Company Secretary without fear of retaliation or discrimination. Each report is thoroughly reviewed and investigated, with oversight provided by the Audit Committee.

In addition, the Company maintains a "Suggestion System" to encourage employees to propose improvements and innovative ideas. Suggestions are discussed, and employees are often recognized or rewarded for their valuable contributions.

ACTIVE ANTI-HARASSMENT COMMITTEE TO SAFEGUARD THE RIGHTS AND WELL-BEING OF EMPLOYEES

AGTL is committed to providing a safe, respectful, and inclusive workplace, in line with the principles set out in the Company's Code of Conduct. The Anti-Harassment Committee reinforces the Code by strictly prohibiting any form of harassment, discrimination, or intimidation, whether verbal, physical, or psychological. Clear reporting mechanisms and disciplinary procedures are in place to address complaints promptly and confidentially.

The committee raises awareness, handles complaints with discretion, and implements corrective measures to maintain a respectful and professional workplace.

POLICY OF SAFETY OF RECORDS

The Company places strong emphasis on the secure storage and protection of its financial and other records. All data and records are retained in compliance with legal, administrative, and operational requirements. No loss or breach of confidential information was reported during the year 2025.

BUSINESS CONTINUITY/DISASTER RECOVERY PLAN AND REVIEW BY THE BOARD

The Company places the highest priority on business continuity and disaster recovery, implementing measures to ensure the smooth restoration of critical operations. Key measures include:

- Maintaining application and data backups at multiple sites to ensure maximum security, with a backup server available in case of primary server failure.
- Implementing comprehensive fire prevention systems, supported by mechanical installations and regular fire drills.
- Arranging adequate insurance coverage to mitigate business risks.
- Conducting preventive maintenance programs and training sessions intermittently to minimize operational disruptions.
- Providing 24-hour security at the plant, head office, and staff town.

The Board is regularly updated on disaster recovery strategies and risk mitigation plans to ensure continued operational resilience.

Statement of Code of Corporate Governance

BOARD EFFECTIVENESS

The Board has full access to complete, timely, and relevant information and resources to enable effective decision-making. A formal agenda, along with supporting documents, is prepared and circulated to all directors in advance of each meeting.

The Board convenes on a quarterly basis to review and approve the release of financial results. Ad-hoc meetings may also be held as necessary to address specific matters. In addition to physical meetings, decisions of the Board and its Committees may be made through circular resolutions, which are subsequently ratified at the following Board meeting. The schedule of Board and Committee meetings, as well as the Annual General Meeting (AGM) for the upcoming calendar year, is planned in advance to ensure proper governance and oversight.

Directors have unrestricted access to the Chief Executive Officer, management team, and the Company Secretary. The Company Secretary provides support to the Board, ensuring compliance with Board procedures, applicable laws, regulations, and governance standards. The Company Secretary also assists the Chairman in facilitating the flow of information within the Board and its Committees and advises the Board on governance matters.

The Company Secretary attends all Board and Committee meetings and ensures that accurate minutes are maintained and circulated to members.

DETAILS ABOUT BOARD & BOARD'S COMMITTEES' MEETINGS AND ITS ATTENDANCE

Al-Ghazi Tractors Limited recognizes the importance of maintaining a diverse, balanced, and competent Board capable of providing effective oversight and strategic guidance to the Company. The Board comprises ten (10) members, including the Chief Executive Officer. Of these, one (1) director is female and nine (9) are male. Except for the Chief Executive Officer, all directors are Non-Executive Directors, and three (3) of them are Independent Directors.

The Independent Directors have submitted declarations of independence in accordance with the criteria prescribed under the Companies Act, 2017 and the applicable requirements of the Code of Corporate Governance Regulations.

The Company believes that diversity in Board composition contributes to a broader range of perspectives, experience, and insights, resulting in enhanced deliberations and informed decision-making. Accordingly, the Board periodically evaluates its composition and regularly reviews the collective skills, experience, and expertise of its members to ensure that it remains appropriately structured to address the Company's present needs and future strategic challenges.

The composition of the Board of Directors as at December 31, 2025, is as follows:

Sr. No.	Name	Category
1	Mr. Robert McAllister	Non-Executive Director
2	Mr. Dmitri Bogatyrev	Non-Executive Director
3	Mr. Paul Wagstaff	Non-Executive Director
4	Mr. Marco Votta	Non-Executive Director
5	Mr. Matthieu Sejourne	Non-Executive Director
6	Mr. Vincent De Lassagne	Non-Executive Director
7	Mr. Shahid Toor	Independent Director
8	Ms. Samiha Zahid	Independent Director
9	Mr. Malik Mirza	Independent Director
10	Mr. Sakib Eltaff	CEO

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

Sr. No.	Name	Category
1	Mr. Robert McAllister	Non-Executive Director
2	Mr. Dmitri Bogatyrev	Non-Executive Director
3	Mr. Paul Wagstaff	Non-Executive Director
4	Mr. Malik Ehtisham Ikram	Non-Executive Director
5	Mr. Marco Votta	Non-Executive Director
6	Mr. Matthieu Sejourne	Non-Executive Director
7	Mr. Vincent De Lassagne	Non-Executive Director
8	Mr. Shahid Toor	Independent Director
9	Ms. Samiha Zahid	Independent Director
10	Mr. Malik Mirza	Independent Director
11	Mr. Sakib Eltaff	CEO

CHANGES IN BOARD COMPOSITION

During the period under review, Mr. Paul Wagstaff was appointed as Non-Executive Director in place of Mr. Malik Ehtisham Ikram. Effective January 01, 2026, Mr. Yasin Seker was appointed as Chief Executive Officer in place of Mr. Sakib Eltaff. In addition, Mr. Umberto Bucci was appointed as Non-Executive Director in place of Mr. Marco Votta with effect from January 26, 2026.

Eleven (11) meetings of the Board were held during the year ended December 31, 2025. The attendance of directors at Board meetings during the year ended December 31, 2025, was as follows:

		Date of Meeting											Attendance
	Name of Director	24 Jan, 2025	21 Feb, 2025	20 Mar, 2025	24 Apr, 2025	23 May, 2025	20 Jun, 2025	22 Aug, 2025	26 Sep, 2025	24 Oct, 2025	21 Nov, 2025	16 Dec, 2025	
1	Mr. Robert McAllister (Chairman of the Board)	1	1	0	1	1	1	1	0	1	1	1	9
2	Mr. Malik Ehtisham Ikram	1	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
3	Mr. Paul Wagstaff	N/A	N/A	N/A	N/A	N/A	1	1	1	1	1	1	6
4	Mr. Marco Votta	1	1	1	1	1	1	1	1	1	0	0	9
5	Mr. Shahid Toor	0	1	1	0	1	1	1	1	1	1	0	8
6	Mr. Vincent Delassagne	1	1	1	1	1	1	1	1	1	1	1	11
7	Mr. Matthieu Sejourne	1	1	1	1	1	1	1	1	1	1	1	11
8	Mr. Dmitrii Bogatyrev	0	0	1	1	1	0	1	0	1	1	1	7
9	Mr. Malik Mirza	1	1	1	1	1	1	1	1	1	1	1	11
10	Ms. Samiha Zahid	1	1	0	1	1	1	1	1	1	1	0	9

BOARD COMMITTEES

To support the effective discharge of its duties and responsibilities, the Board has constituted the Audit Committee, the Human Resource & Remuneration Committee, and the Technical Committee.

Each Board Committee is chaired by an Independent Director. Directors who are not members of the respective committees may attend committee meetings by invitation, as and when required. All committees operate in accordance with clearly defined Terms of Reference (TORs) approved by the Board.

The Chairman/Chairperson of each committee submits a detailed report to the Board after every meeting, highlighting key deliberations, observations, and recommendations for the Board's consideration.

The composition of the above-mentioned committees, as at December 31, 2025, is as follows:

Name of Directors	Audit Committee	Technical Committee	Human Resource & Remuneration Committee
Mr. Robert McAllister	-	Member	-
Mr. Paul Wagstaff	Member	Member	Member
Mr. Marco Votta	Member	Member	Member
Ms. Samiha Zahid	-	-	Chairperson
Mr. Shahid Toor	-	Chairman	-
Mr. Vincent Delassagne	-	Member	-
Mr. Matthieu Sejourne	-	Member	-
Mr. Dmitrii Bogatyrev	-	Member	-
Mr. Malik Mirza	Chairman	-	-
Mr. Sakib Eltaff (CEO)	-	-	Member

Nine (9) meeting of the Audit Committee were held during the year ended December 31, 2025:

	Date of Meeting									Attendance
Name of Director	24 Jan, 2025	21 Feb, 2025	20 Mar, 2025	24 Apr, 2025	20 Jun, 2025	22 Aug, 2025	26 Sep, 2025	24 Oct, 2025	16 Dec, 2025	
Mr. Malik Mirza (Chairman)	1	1	1	1	1	1	1	1	1	9
Mr. Malik Ehtisham Ikram	1	1	1	1	N/A	N/A	N/A	N/A	N/A	4
Mr. Paul Wagstaff	N/A	N/A	N/A	N/A	1	1	1	1	1	5
Mr. Marco Votta	1	1	1	1	1	1	1	1	0	8

Two (02) meeting of the HR & Remuneration Committee were held during the year ended December 31, 2025::

	Date of Meeting		Attendance
Name of Director	23 May, 2025	20 Nov, 2025	
Ms. Samiha Zahid (Chairperson)	1	1	2
Mr. Malik Ehtisham Ikram	N/A	N/A	0
Mr. Paul Wagstaff	N/A	1	1
Mr. Marco Votta	1	1	2
Mr. Sakib Eltaff	1	1	2

Ten (10) meeting of the Technical Committee were held during the year ended December 31, 2025:

	Date of Meeting										Attendance
Name of Director	24 Jan, 2025	21 Feb, 2025	20 Mar, 2025	23 May, 2025	20 Jun, 2025	22 Aug, 2025	26 Sep, 2025	24 Oct, 2025	21 Nov, 2025	16 Dec, 2025	
Mr. Shahid Toor (Chairman)	0	0	1	1	1	0	1	1	1	0	6
Mr. Robert McAllister	1	1	0	1	0	1	0	0	0	0	4
Mr. Malik Ehtisham Ikram	1	1	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3
Mr. Paul Wagstaff	N/A	N/A	N/A	N/A	1	1	1	1	1	0	5
Mr. Vincent Delassagne	1	1	1	1	1	1	0	1	1	1	9
Mr. Matthieu Sejourne	0	0	1	1	1	1	0	1	1	1	7
Mr. Marco Votta	1	1	1	1	0	1	1	1	0	0	7
Mr. Dmitrii Bogatyrev	1	1	1	0	0	1	0	0	1	0	5

Subsequent to the year ended on December 31, 2025, Mr. Yasin Seker was appointed as Member of Human Resources and Remuneration Committee in place of Mr. Sakib Eltaff with effect from January 01, 2026 and Mr. Umberto Bucci was appointed as Member of Audit and Human Resources & Remuneration Committees in place of Mr. Marco Votta with effect from January 26, 2026.

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.

Report of the Audit Committee

For the year ended December 31, 2025

COMPOSITION

The Audit Committee comprised of one independent and two Non-Executive Directors namely:

- Mr. Malik Mirza
  Chairman & Independent Director
- Mr. Paul Wagstaff
  Non-Executive Director
- Mr. Marco Votta
  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 2025

The Audit Committee met seven times during the year. The attendance of the members at these meetings is stated in Corporate Governance Section 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, 2025 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, 2025, which present fairly the state of affairs, results of operations, profits, cash flows, and changes in equity of the Company.
- The Chief Executive Officer/Chief Financial Officer has reviewed the financial statements of the Company. They acknowledge their responsibility for true and fair presentation of the financial statements, accuracy of reporting and compliance with regulations and applicable accounting standards.
- Review process of financial statements by Audit Committee also includes detailed consideration of related matters and issues which were dealt in accordance with applicable accounting and reporting standards. Contents of External Audit Report for the financial year 2025 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 from time to time) 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 2025 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 meets with the internal audit, where necessary, 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, 2025 and shall retire on conclusion of 43rd Annual General Meeting.
- The Audit Committee has reviewed and discussed audit observations with the external auditors.
- 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 2026. 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.

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 24, 2025 to answer any questions asked on the Audit Committee's activities and matters within the scope of the Audit Committee's responsibilities.

Malik Mirza
Chairman, Audit Committee

Report of the Human Resource & Remuneration Committee

For the year ended December 31, 2025

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. Paul Wagstaff
  Non-Executive Director
- Mr. Marco Votta
  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.

ROLE OF THE COMMITTEE

The Human Resource & Remuneration Committee assists the Board in fulfilling its oversight responsibilities with respect to human resource policies, leadership development, succession planning, and remuneration frameworks for senior management.

During the year, the Committee ensured compliance with its terms of reference and reviewed matters relating to executive appointments, performance evaluation, and remuneration in alignment with the Company's strategic objectives and applicable regulatory requirements.

MEETINGS DURING 2025

Two meeting of the Committee were held during the year beyond the requirement of listing regulations. The attendance of the members at these meetings is provided in the Corporate Governance Section of the Annual Report.

PERFORMANCE OF HUMAN RESOURCE & REMUNERATION 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 the members of the Board of Directors and its Committees.

Samiha Zahid
Chairperson

Report of the Technical Committee

For the year ended December 31, 2025

COMPOSITION

The Technical Committee comprised of one independent and six Non-Executive Directors namely:

- Mr. Shahid Toor
  Chairman & Independent Director
- Mr. Robert McAllister
  Non-Executive Director
- Mr. Dmitrii Bogatyrev
  Non-Executive Director
- Mr. Paul Wagstaff
  Non-Executive Director
- Mr. Matthieu Sejourne
  Non-Executive Director
- Mr. Vincent Delassagne
  Non-Executive Director
- Mr. Marco Votta
  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.

ROLE OF THE COMMITTEE

The Technical Committee assists the Board in providing strategic oversight on technical operations, product development, quality assurance, cost optimization initiatives, and major projects. The Committee plays a key role in ensuring operational efficiency, product quality, and alignment of technical initiatives with the Company's strategic objectives.

MEETINGS DURING 2025

The Technical Committee met ten times during the year. The attendance of the members at these meetings is stated in the Corporate Governance Section of the Annual Report. The Chief Executive Officer, Chief Financial Officer, and General Managers of plant, Quality Assurance and Supply Chain, Product Development & Aftersales attend all meetings.

PERFORMANCE OF TECHNICAL 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.

Mr. Shahid Toor
Chairman, Technical Committee

Gender Pay Gap Statement

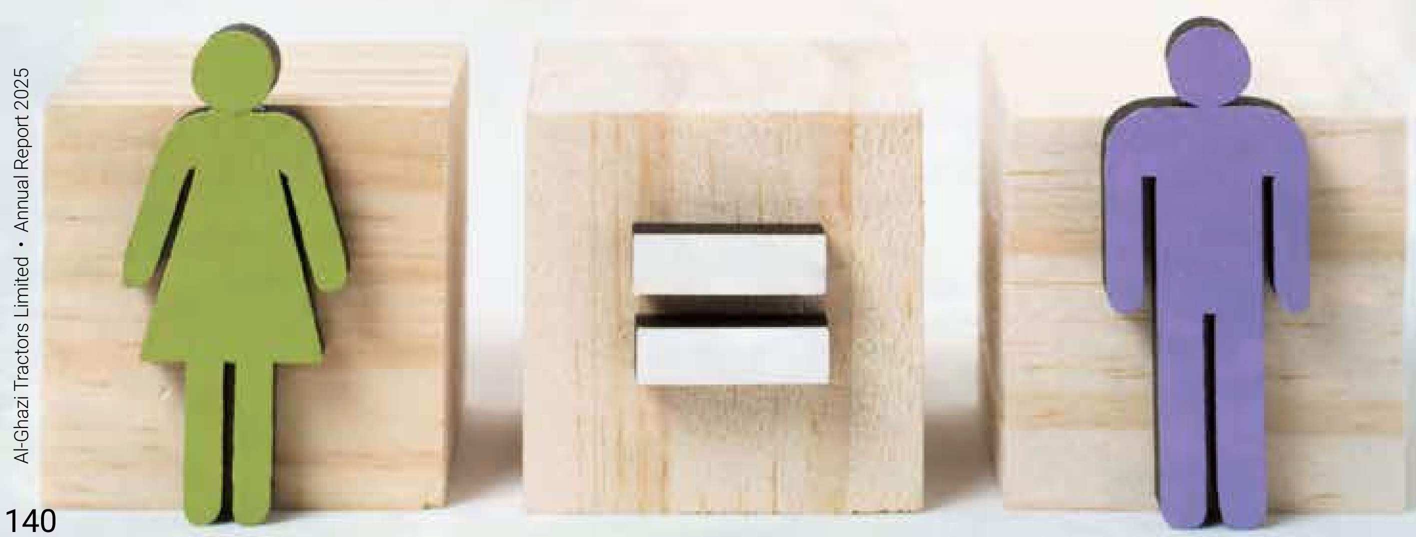
Under SECP's Circular 10 Of 2024

Following is gender pay gap calculated for the year ended December 31, 2025:

Mean Gender Pay Gap:	Median Gender Pay Gap:
11.30%	**11.24%**

Yasin Seker
Chief Executive Officer

March 17, 2026



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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AL-GHAZI TRACTORS LIMITED

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al-Ghazi Tractors Limited (the Company) for the year ended December 31, 2025 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, 2025.

A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: March 25, 2026

UDIN: CR202510059QIpInCwRh

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

Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019
For the year ended December 31, 2025

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. Paul Wagstaff
	Mr. Marco Votta
	Mr. Vincent De Lassagne
	Mr. Matthieu Sejourne
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, Mr. Paul Wagstaff was appointed as Non-Executive Director in place of Mr. Malik Ehtisham Ikram.

Moreover, for the purpose of rounding up of fraction ,the Company did not round up the fraction of Independent Directors to One as the Board determined that composition is adequate.

3. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including this company.

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 [the Act] and the Listed Companies (Code of Corporate Governance) Regulations, 2019 [the Regulations].

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations pertaining to frequency, recording, and circulating minutes of meeting of the Board.

8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

9. All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies.

10. The Board has approved the appointment of the Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The Chief financial officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has approved formation of Audit Committee, Human Resources and Remuneration Committee and Technical Committee. The composition of the said committees as at December 31, 2025 is as follows:

A AUDIT COMMITTEE	B HUMAN RESOURCES AND REMUNERATION COMMITTEE	C TECHNICAL COMMITTEE
Mr. Malik Mirza (Chairman)	Ms. Samiha Zahid (Chairperson)	Mr. Shahid Toor (Chairman)
Mr. Marco Votta	Mr. Marco Votta	Mr. Robert McAllister
Mr. Paul Wagstaff	Mr. Paul Wagstaff	Mr. Paul Wagstaff
	Mr. Sakib Eltaff	Mr. Marco Votta
		Mr. Vincent De Lassagne
		Mr. Matthieu Sejourne
		Mr. Dmitrii Bogatyrev

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.

14. Nine (09) 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. Two (02) meeting of the Human Resources and Remuneration Committee were 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.

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 has assigned this task to its Audit Committee.	10A
2.	It is encouraged that: (i) by June 30, 2020 at least half of the directors on their Boards. (ii) by June 30, 2021 at least 75% of the directors on their Boards; and (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. 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: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	Since the requirement is not mandatory now, all the directors are highly qualified and experienced.	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
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

S. No.	Requirement	Explanation	Reg. No.
5.	The Company may post on its website key elements of its significant policies including but not limited to the following: I. Communication and disclosure policy II. Code of conduct for members of Board of Directors senior management and other employees III. Risk management policy IV. Internal control policy V. Whistle blowing policy VI. Corporate social responsibility/sustainability/environmental, social and governance related policy	As the Regulation provides concession with respect to disclosure of significant policies on the website, only key elements of relevant policies are available on the Company's website.	35

Robert Mcallister
Chairman of the Board

Yasin Seker
Chief Executive Officer

Date: March 17, 2026

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 t he 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.

Yasin Seker
Chief Executive Officer

March 17, 2026

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 2.5 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.

Yasin Seker
Chief Executive Officer

March 17, 2026

07
Future Outlook

Future Outlook

FORWARD-LOOKING STATEMENTS

NARRATIVE OUTLOOK

This Annual Report contains forward-looking statements reflecting management's expectations regarding the Company's future performance, financial condition, and strategic direction. These statements are based on current assumptions, industry trends, economic conditions, and information available at the time of preparation.

Known trends and uncertainties that may influence Al-Ghazi Tractors Limited's resources, revenues, and operations in the short, medium, and long term include agricultural sector performance, government support policies, input cost volatility, interest rate movements, exchange rate fluctuations, supply chain stability, and evolving regulatory and environmental requirements.

While the Company remains focused on operational efficiency, market leadership, and prudent financial management, actual results may differ materially from those expressed or implied in these forward-looking statements due to factors beyond management's control. The Company does not undertake any obligation to update or revise these statements except as required by applicable laws and regulations.

QUANTITATIVE OUTLOOK (INDICATIVE)

Area	Short Term (Next 12 months)	Medium Term (2–3 years)	Long Term (Beyond 3 years)
Revenues	Expected to remain broadly aligned with market demand and government agricultural policies	Growth linked to farm mechanization trends and replacement demand	Sustained growth driven by productivity enhancement and technology adoption
Operating Margins	Subject to raw material costs, energy prices, and interest rates	Gradual improvement through efficiency initiatives and cost optimization	Stabilization at sustainable levels supported by scale and process maturity
Capital Expenditure	Focused on maintenance and productivity improvements	Selective investments in modernization and capacity enhancement	Strategic investments aligned with long-term growth and sustainability
Liquidity & Resources	Adequate to meet operational and financial obligations	Strengthened through disciplined working capital management	Maintained at prudent levels to support resilience and growth
Operational Risks	Managed through inventory planning and supplier diversification	Reduced through system improvements and risk mitigation frameworks	Integrated into enterprise-wide risk and sustainability management

CAUTIONARY NOTE

These projections are indicative and not guarantees of future performance. They are subject to risks, uncertainties, and assumptions relating to economic conditions, policy changes, market demand, and other factors that may cause actual outcomes to differ materially.

STATUS AND ALIGNMENT WITH PRIOR YEAR FORWARD-LOOKING STATEMENT

The Company's financial and operational performance during the year remained broadly aligned with the expectations articulated in the prior year's forward-looking statement, particularly with respect to revenue stability, cost discipline, liquidity management, and risk awareness in a challenging economic environment.

Management believes that the forward-looking assumptions disclosed previously remain relevant, subject to prevailing macroeconomic, regulatory, and industry conditions, and will continue to be reviewed and updated as appropriate.

CAUTIONARY NOTE
These projections are indicative and not guarantees of future performance. They are subject to risks, uncertainties, and assumptions relating to economic conditions, policy changes, market demand, and other factors that may cause actual outcomes to differ materially.

FUTURE PLANS FOR AI ADOPTION AND STRATEGIC IMPACT

Al-Ghazi Tractors Limited has initiated selective adoption of artificial intelligence tools to support day-to-day productivity and operational efficiency. During the year, the Company licensed Microsoft Copilot for its employees to assist in routine work activities such as document preparation, data analysis, presentations, and workflow efficiency, within the Company's existing IT and information security frameworks.

To ensure effective and responsible utilization, the Company's parent organization, Al-Futtaim Group (AFG), conducted structured training sessions for employees covering appropriate use cases, data confidentiality, ethical considerations, and productivity best practices related to Copilot and AI-enabled tools.

The current use of AI is assistive in nature and focused on enhancing employee productivity, decision support, and consistency in routine tasks, without replacing core decision-making or operational controls. Appropriate safeguards are in place to ensure responsible use, data confidentiality, and alignment with internal policies.

In the medium to long term, management views AI-enabled tools as potential enablers for improved analytics, process optimization, compliance monitoring, and informed strategic planning. Any expansion in AI usage will be evaluated in a phased manner, considering cost-benefit analysis, cybersecurity, regulatory compliance, and workforce capability development.

The Board and management will continue to oversee the responsible use of AI technologies as part of the Company's broader digital and operational strategy, ensuring that such initiatives contribute to sustainable value creation and long-term competitiveness.

FUTURE RESEARCH & DEVELOPMENT INITIATIVES

As part of its ongoing transformation journey, Al-Ghazi Tractors Limited is strengthening its Research & Development (R&D) capabilities to support product enhancement, localization, and long-term competitiveness.
In this regard, the Company is establishing a state-of-the-art R&D facility at its Marketing Office in Lahore, which is currently under construction and classified as work-in-progress.

The new R&D facility is intended to enhance the Company's ability to conduct product testing, quality improvement, design validation, and process

optimization, enabling faster response to market requirements and regulatory developments. Once operational, it is expected to support incremental innovation, continuous improvement initiatives, and closer collaboration with principals, suppliers, and internal stakeholders.

In the short to medium term, the focus remains on completion of the facility and commissioning of equipment, while ensuring alignment with the Company's capital allocation discipline and operational priorities. Over the long term, the strengthened R&D infrastructure is expected to play a supporting role in improving product performance, customer satisfaction, and manufacturing efficiency.

Oversight of the R&D initiative is exercised through management review and project monitoring mechanisms to ensure timely execution, cost control, and strategic alignment.

SOURCES OF INFORMATION, ASSUMPTIONS AND EXTERNAL ASSISTANCE

The forward-looking statements included in this Annual Report are based on information and assumptions that management considers reasonable at the time of preparation. These statements have been developed using internal and external sources of information, combined with management judgment and experience.

Key sources of information used in forming projections and outlook assessments include:

- Historical financial and operational performance of the Company
- Internal budgets, forecasts, and approved business plans
- Market intelligence, industry trends, and demand indicators relating to the agricultural and tractor sector
- Macroeconomic indicators, including inflation, interest rates, exchange rate trends, and agricultural policy environment
- Risk assessments and inputs from the enterprise risk management framework

KEY ASSUMPTIONS

The forward-looking statements are based on assumptions relating to:

- Continuity of operations under prevailing market and regulatory conditions
- Expected stability in core business
- Availability of key inputs and continuity of supply chain
- Prudent capital expenditure and working capital management
- No material adverse changes in government policies directly impacting the industry

These assumptions are inherently subject to uncertainty, and actual results may differ due to factors beyond the Company's control.

EXTERNAL ASSISTANCE

No external consultant was engaged specifically for the preparation of projections or forecasts included in the forward-looking statements. The outlook and related disclosures have been prepared primarily using internal expertise, with reference to publicly available economic and industry information where relevant.

CAUTIONARY NOTE

This disclosure is intended to provide transparency regarding the basis of forward-looking statements and does not constitute assurance or guarantees of future performance.

08

Stakeholders Relationship & Engagement

Communication with Stakeholders

STAKEHOLDER ENGAGEMENT POLICY AND IDENTIFICATION

The Company is committed to maintaining transparent, fair, and consistent engagement with all stakeholders whose interests are affected by the Company's operations. The Company recognizes that effective stakeholder engagement is essential to long-term value creation, sustainable growth, and informed decision-making. AGTL has identified its key stakeholders as shareholders and investors (both institutional and individual), customers, suppliers, banks and other lenders, media, regulators, local committees, and financial and industry analysts.

The Company's stakeholder engagement policy is designed to understand the views, expectations, and concerns of these groups and to ensure timely, accurate, and meaningful communication. Engagements are conducted through structured channels, including meetings, briefings, general meetings, investor relations programs, digital communications, and other interactions that enable stakeholders to provide feedback and participate in the Company's growth journey. Through these practices, AGTL ensures that stakeholder relationships are managed proactively, supporting trust, transparency, and long-term value creation for both the Company and its stakeholders.

Stakeholder	Stakeholders' Expectation	Tools and Interaction channel	Effect on AGTL's Performance and Value
Government and Regulatory Bodies	• Compliance with laws and regulations • Collaboration and access to information • Technical support on specific industry related issues	• Periodic and ad hoc reporting	The Company remains focused on having a sufficient level of compliance with laws and regulations.
Employees	• Clarity of organization and protection in periods of uncertainty • Clear and transparent reward system • Training and professional development • Stimulating and safe work environment • Information on Company's strategy and results	• Daily dialogue • Employee lunches/dinners • Discussions regarding appraisals and development path • In-house communication • Easy access to top management • Adherence to labour laws	Human resources play a key role in organisation's success.
Employees' families/ Community development	• Indirect participation in corporate life	• Staff town with family and bachelors' accommodation • Transport facility • Vaccination/health awareness campaigns • Participation in sports events • Health care plans, and community hall	Adequate activities of the Company assist in maintaining positive image of the Company at the levels of local community and employees.
Dealers and Service Network	• Complete and rapidly accessible product information • Business profitability • Quality and reliability of products/parts • Competitive prices • Extension of financial and non-financial assistance	• Daily contacts and periodic meetings with the network • Individuals responsible for monitoring the network and ensuring fulfillment of contractual standards • Programmes to support dealers, including training, conferences and incentives. • Tractor festivals • After-sales Service programme	Dealers act as business partners. Satisfactory after-sales services helps in enhanced customer satisfaction.
Existing and Prospective Customers	• Quality, reliability and safety of products Competitive prices • Speed and efficiency of after sales services	• Market research • Three-way communication through dealership, service centres and mechanical workshops	Loyalty of customers to our products is key in achieving success and good financial performance.
Suppliers	• Continuity of supply • Fulfillment of contractual obligations	• Daily relationship through Supply Chain Department	Effective management of suppliers helps in achieving production objectives.
Shareholders	• Access to information • Transparent and responsible management • Value creation (return on investment, sustainability of business)	• Shareholders meetings • Annual/Quarterly reports • Price sensitive communication and information • Daily dialog (email, telephones) • Investor relations section of the Company's website: www.alghazitractors.com	Support of shareholders serves as a foundation for Company's efforts to achieve its objectives and vision.
Analysts/ Institutional Investors	• Availability of relevant information	• Communication to PSX • Investor relation section of AGTL's website, containing relevant information about the Company	Availability of adequate information about the Company helps in maintaining positive image of the Company with analysts and institutional investors.
Banks/ Financial Institutions	• Continuity of business and operations • Good financial management	• Provision of information as per the requirements of banks • Frequent meetings and interaction	Attractive rates and terms of overdrafts and other arrangements.
Media	• Fulfillment of obligations of arrangement	• Promotional activities are carried out as per marketing requirements	Necessary awareness about the Company and its products is imparted.

ENCOURAGING MINORITY SHAREHOLDERS TO ATTEND GENERAL MEETINGS

Al-Ghazi Tractors Limited is committed to ensuring that all shareholders, including minority shareholders, have the opportunity to actively participate in the Company's general meetings. To encourage attendance, the Company sends direct notices of all general meetings to shareholders and publishes these notices in widely circulated Urdu and English newspapers to ensure accessibility and awareness. Shareholders are invited to attend in person or through proxies, and the Board is present to address queries, provide clarifications, and obtain feedback. This approach ensures that minority shareholders are informed, engaged, and able to exercise their rights effectively, fostering transparency, accountability, and inclusive decision-making.

INVESTOR RELATIONS ON CORPORATE WEBSITE

Al-Ghazi Tractors Limited maintains a dedicated Investor Relations section on its corporate website (www.alghazitractors.com), providing shareholders and investors with easy access to relevant information. This section includes audited annual reports, quarterly financial statements, major announcements, shareholding patterns, dividend history, and details of free-float shares. By providing clear, timely, and comprehensive information online, the Company ensures transparency, facilitates informed decision-making, and strengthens communication with its stakeholders.

ISSUES RAISED AT THE LAST AGM AND IMPLEMENTATION STATUS

The Annual General Meeting (AGM) of Al-Ghazi Tractors Limited was held on April 24, 2025. During the meeting, shareholders approved the minutes of the previous AGM (April 25, 2024), the financial statements for the year ended December 31, 2024, and the re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, as external auditors.

Shareholders raised general queries regarding the annual financial statements for 2024 and the fees of the external auditors, which were addressed appropriately by the directors present at the meeting. No significant matters or additional concerns were raised.

CORPORATE BRIEFING SESSIONS AND ANALYST ENGAGEMENT

Al-Ghazi Tractors Limited actively solicits and understands the views of its stakeholders through structured Corporate Briefing Sessions and analyst engagements. These sessions provide an opportunity for the Board and senior management to directly communicate the Company's strategic objectives, operational developments, financial performance, and sustainability initiatives to shareholders, investors, and the analyst community, while also receiving feedback, queries, and suggestions.

In compliance with Pakistan Stock Exchange regulations, One Corporate Briefing Session was held on June 26, 2025, attended by the CEO, CFO, Company Secretary, shareholders, investors, and analysts. During the session, the management team provided a comprehensive overview of the Company, including its profile, geographical presence, historical journey, shareholding structure, key strategic and operational developments, financial performance, and sustainability initiatives. The session concluded with an interactive Question and Answer segment, allowing stakeholders to raise queries and express their views, which were duly addressed by the management.

This process ensures that the Board remains informed about stakeholder expectations and concerns, supporting better decision-making and reinforcing trust and transparency in the Company's engagements.

REDRESSAL OF INVESTORS' COMPLAINTS

Al-Ghazi Tractors Limited maintains a robust mechanism to address investor queries, grievances, and complaints in a fair, timely, and transparent manner. During the year 2025, the Company received multiple requests from shareholders covering matters such as shareholding records, transmission of notices, financial reports, unclaimed dividends, and other investor concerns.

All complaints were promptly addressed and resolved, ensuring that shareholders received timely and accurate responses. The Company Secretary and the Share Registrar closely monitor the redressal process to ensure compliance with applicable legal and regulatory requirements. This proactive approach reinforces the Company's commitment to shareholder engagement, trust, and transparency.

CORPORATE BENEFITS TO SHAREHOLDERS

Al-Ghazi Tractors Limited is committed to delivering sustainable value and benefits to its shareholders. The Company has a long-standing history of paying dividends and enhancing shareholder value through consistent financial performance and strategic growth initiatives. Shareholders benefit from equity value appreciation in addition to

dividend payouts, reflecting the Company's strong market position and operational excellence.

WHISTLEBLOWING MECHANISM

Al-Ghazi Tractors Limited has established a formal whistleblowing mechanism to enable employees, shareholders, and other stakeholders to report concerns regarding unethical behavior, fraud, misconduct, or violations of Company policies in a confidential, fair, and transparent manner. The mechanism ensures that all complaints are investigated promptly and objectively, with appropriate corrective actions taken wherever necessary.

The Company provides protection to complainants against victimization or retaliation, reinforcing a safe and trustworthy reporting environment. All significant complaints and the actions taken are reported to the Audit Committee, which oversees compliance, monitors redressal processes, and ensures that the whistleblowing mechanism supports the Company's ethical standards and corporate governance framework.

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 3,840 shareholders as at the year ended, December 31, 2025, 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	50,606 shares	=	0.09%
Individual and others	3,898,511 shares	=	6.72%
Total	57,964,201 shares	=	100.00%

For further details, please refer to the pattern of Shareholding contained in this report.

Legislative and Regulatory Environment and Political Environment where Organization Operates

Operating responsibly begins with compliance. The Company places strong emphasis on meeting all statutory and regulatory requirements and conducts its business in line with applicable laws and governance standards. This commitment reflects our values and supports transparent, ethical, and accountable decision-making across the organization.

We continuously monitor changes in the legislative and regulatory landscape to ensure timely compliance and effective risk management. A clear understanding of regulatory requirements allows us to protect stakeholder interests while maintaining stable and efficient operations.

The political and economic environment in Pakistan remains challenging and dynamic. Inflation has moderated compared with previous years, while interest rates and foreign exchange reserves continue to require careful management. Sectors such as automotive and agricultural machinery still face cost pressures, global uncertainties, and competitive challenges.

In this environment, long-term planning can be complex and investor confidence sensitive to policy shifts. Despite these challenges, the Company remains focused on prudent financial management, operational efficiency, and strategic adaptability, navigating uncertainty with resilience and a focus on sustainable growth.

Legitimate needs, interests of key stakeholders and industry trends

Our stakeholders are at the heart of everything we do. Their trust, expectations, and continued engagement play a vital role in shaping the Company's performance and long-term success. We actively identify and engage with those stakeholders who are most affected by our operations, as well as those whose decisions and actions can influence our ability to create value over time.

To do this effectively, we take a structured yet practical approach to stakeholder engagement. Stakeholders are identified, mapped, and prioritized based on factors such as their influence, responsibilities, proximity to our operations, level of dependency, and willingness to engage. This helps us focus our efforts where they matter most and respond meaningfully to evolving expectations and industry trends.

We stay closely connected with our stakeholders to better understand what matters to them. Our key stakeholder groups and their primary interests include:

- **Investors,** who look for consistent performance, sound governance, and a clear strategic direction that supports long-term growth.
- **Customers,** who depend on our products for quality, reliability, and innovation, and increasingly value responsible and sustainable business practices.
- **Employees,** who are the driving force behind our success and seek rewarding careers, opportunities to grow, fair compensation, and a safe and supportive workplace.
- **Business Partners,** who value reliability, transparency, and long-term relationships built on mutual trust and shared goals.
- **Wider Community,** which expects us to operate responsibly, respect the environment, and contribute positively to social and economic development.
- **Government and Regulators,** who expect compliance with applicable laws and constructive engagement in support of national development objectives.

By listening, engaging, and responding thoughtfully, we are enabled to build lasting relationships with our stakeholders and create sustainable value for all.

Pattern of Shareholding

As at December 31, 2025

No of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1,966	1	100	60,327
962	101	500	267,532
382	501	1000	294,889
403	1001	5000	855,525
62	5001	10000	479,323
22	10001	15000	276,951
9	15001	20000	156,121
10	20001	25000	224,642
6	25001	30000	162,932
4	30001	35000	134,449
1	35001	40000	35,353
1	40001	45000	41,234
4	45001	50000	195,258
1	50001	55000	50,393
1	85001	90000	90,000
2	90001	95000	186,710
1	160001	165000	164,078
1	270001	275000	273,400
1	25020001	25025000	25,022,379
1	28990001	28995000	28,992,705
3,840			57,964,201

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	0.01
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	2	707	0.00
7	Share holders holding 10%	2	54,015,084	93.19
8	General Public :			
	a. local	3,782	3,059,875	5.28
	b .Foreign	-	-	-
9	Others	46	835,636	1.44
Total (excluding: share holders holding 10%)		**3,840**	**57,964,201**	**100.00**

Categories of Shareholders

As at December 31, 2025

S.No.	Folio	Name		Holding	Percentage
Directors, Chief Executive Officer, and their spouse and minor children					
1	00307-22842	Mr. Malik Mirza	Individuals	1,000	0.00
2	03350-169629	Ms. Samiha Qadir	Individuals	1,000	0.00
3	18432-63346	Mr. Shahid Shahbaz Toor	Individuals	1,000	0.00
			Total >>	**3,000**	**0.00**
Associated Companies, Undertakings and related parties					
1	5336	M/s. Al-Futtaim Industries Company (LLC)		28,992,705	50.02
2	5635	M/s. CNH Industrial N.V.		25,022,379	43.17
			Total >>	**54,015,084**	**93.19**
Banks, Development Financial Institutions, Non Banking Financial Institutions					
1	4707	Pak Libya Holding Company		183	0.00
2	5356	M/s. Crescent Investment Bank		2,914	0.01
3	5718	M/s. National Bank of Pakistan - Investor A/C (Former NDFC)		52	0.00
			Total >>	**3,149**	**0.01**
Insurance Companies					
1	03277-10526	Habib Insurance Co. Limited	Insurance Companies	32,350	0.06
2	03277-8372	GHAF Limited	Insurance Companies	14,400	0.02
			Total >>	**46,750**	**0.08**
Modarabas and Mutual Funds					
1	01917-504	First Prudential Modaraba	Modarabas	675	0.00
2	10603-21	CDC - Trustee APF-Equity Sub Fund	Mutual Fund	32	0.00
			Total >>	**707**	**0.00**
Others					
1	4175	M/s. Alviya Limited		236	0.00
2	4598	M/s. Fateh Textile Mills Limited		765	0.00
3	4748	Punjabi Saudagar Multipurpose		207	0.00
4	5322	Midland Bank Trust Corporation		274	0.00
5	5398	Citibank N.A. Hongkong		714	0.00
6	5403	M/s. Coutts & Co.		5,800	0.01
7	5597	M/s. James Capel Incorporated		13,016	0.02
8	00307-148860	Crescent Bahuman Limited	Public Limited Unlisted	23,000	0.04
9	00307-151443	Crescent Bahuman Limited Employees Provident Fund	Trust	10,000	0.02
10	00307-46	IGI Finex Securities Limited	Joint Stock Companies	1	-
11	01917-41	Prudential Securities Limited	Joint Stock Companies	270	0.00
12	03277-101266	A.M. Mansur LLP	Ltd. Liability Partnership	50	0.00
13	03277-2102	The Agha Khan University Foundation	Charitable foundation	15,000	0.03
14	03277-7421	Trustees Saeeda Amin Wakf	Wakf Alal Aulad	10,125	0.02
15	03277-7633	Trustees Mohamad Amin Wakf Estate	Wakf Alal Aulad	34,999	0.06
16	03277-9199	Loads Limited	Unlisted Public Ltd	1	-
17	03277-98643	Merin (Private) Limited	Trading	1,000	0.00

S.No.	Folio	Name		Holding	Percentage
Others					
18	03293-38	S.H. Bukhari Securities (Pvt) Limited	Joint Stock Companies	294	0.00
19	03525-105464	Innovative Investment Bank Limited (Under Liquidation)	Financial Institutions	1,350	0.00
20	03525-57191	Sarfraz Mahmood (Private) Limited	Joint Stock Companies	100	0.00
21	03525-63817	NH Securities (Pvt) Limited	Joint Stock Companies	1,350	0.00
22	03525-87235	Maple Leaf Capital Limited	Joint Stock Companies	1	-
23	04705-101031	Khayyam Securities (Pvt) Limited	Joint Stock Companies	50	0.00
24	04705-65373	Associated Consultancy Centre (Pvt) Limited	Joint Stock Companies	1,000	0.00
25	04804-55797	M.A. Oils (Pvt.) Limited	Joint Stock Companies	47,258	0.08
26	04879-28	Akhai Securities (Private) Limited	Joint Stock Companies	50	0.00
27	04952-28	Sherman Securities (Private) Limited	Joint Stock Companies	5,002	0.01
28	05736-15	NCC - Pre Settlement Delivery Account	Joint Stock Companies	1,424	0.00
29	06684-29	Mohammad Munir Mohammad Ahmed Khanani Securities Ltd.	Joint Stock Companies	164,078	0.28
30	07328-21	TS Securities (Pvt) Limited	Joint Stock Companies	1,000	0.00
31	07419-11803	Topline Associate (Private) Limited	Joint Stock Companies	50,000	0.09
32	10629-546013	Mindstorm Studios (Private) Limited	IT Sector	853	0.00
33	10827-25	Moonaco Securities (Private) Limited	Joint Stock Companies	458	0.00
34	12203-12148	Merin (Private) Limited	Joint Stock Companies	5,800	0.01
35	12955-28	Intermarket Securities Ltd (Formerly EFG Hermes Pak. Ltd) - MF	Joint Stock Companies	22,524	0.04
36	13987-24	Employees Old Age Benefits Institution	Federal Govt. Institution	273,400	0.47
37	14241-22	Fikrees (Private) Limited	Joint Stock Companies	1,208	0.00
38	14886-25	Venus Securities (Pvt.) Limited	Joint Stock Companies	5,000	0.01
39	15180-1605	Tumbi (Private) Limited	Joint Stock Companies	8,000	0.01
40	15180-29	R.T. Securities (Pvt) Limited	Joint Stock Companies	22,000	0.04
41	16857-26	MRA Securities Limited - MF	Joint Stock Companies	312	0.00
42	16899-22	Mohammad Munir Mohammad Ahmed Khanani Securities Ltd. - MF	Joint Stock Companies	94,166	0.16
43	17004-27	Fawad Yusuf Securities (Private) Limited - MF	Joint Stock Companies	1,000	0.00
44	18432-3177	Margalla Financial (Private) Limited	Financial Institutions	500	0.00
45	18432-4282	Muhammad Salim Kasmani Securities (Private) Limited	Financial Institutions	10,000	0.02
46	18705-21	Chase Securities Pakistan (Private) Limited - MF	Joint Stock Companies	2,000	0.00
			Total >>	**835,636**	**1.44**

Notice of 43rd Annual General Meeting

Notice is hereby given that the 43rd Annual General Meeting of Al-Ghazi Tractors Limited (the Company) will be held on Friday, April 24, 2026 at 03:00 PM at Pearl Continental Hotel, Lahore, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Extraordinary General Meeting held on November 04, 2025.

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 December 31, 2025.

   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: https://www.alghazitractors.com/investor-information/

3. To appoint the Auditors for the financial year ending on December 31, 2026, 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, 2026.

4. Any other business with the permission of the Chair.

By Order of the Board

-Sd-
Mansoor Khan
Company Secretary

March 17, 2026

NOTES:

1. The share transfer books of the Company will remain closed from April 18, 2026 to April 24, 2026 (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, 2026 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 Lahore, 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 April 23, 2026 at the company's dedicated email "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.

   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 NTNs 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 2017.

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

8. In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer.

   To enable the Company to withhold tax at 15% for filers, all shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30%. Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Share Registrars of the Company, M/s. FAMCO 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 December 31, 2025 along with reports have been placed on the website of the Company. The Annual Report of the Company for 2025 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 2025'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.

11. Pursuant to S.R.O. 452(I)/2025 dated March 17, 2025, the shareholders are hereby informed that no gifts, in any form whatsoever, shall be distributed at the meeting. Shareholders are therefore requested to kindly refrain from demanding or expecting any gifts, including but not limited to tokens, coupons, takeaway packages, or similar items. Any non-compliance with this directive shall constitute a punishable offence, and the Company may be subject to enforcement actions and penalties in case of any violation.

12. Shareholders are requested to adhere to the conduct prescribed under Regulation 55(2) of the Companies Regulations, 2024 and comply with the SECP's Guidelines for Professional Conduct in General Meetings during their participation in the meeting.

09

Performance Analysis and Financial Information

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, shareholder satisfaction, and human resource development, the Company focuses on all aspects to maintain sustainable growth and to timely identify key focus areas for remedial actions and growth.

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

FINANCIAL INDICATORS

ACTUAL RESULTS

In 2025, 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 challenging market conditions, the Company sold 7,739 tractors during the year, compared to 14,269 units in the previous year, resulting in a market share of 31%. The Company maintained its market position amid adverse economic conditions through continued focus on operational continuity, market presence, and customer engagement. While industry wide challenges impacted overall volumes, the Company's performance reflects its ability to operate effectively in a difficult environment and maintain its competitive standing.

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

	2025	2024
	Rupees '000	
Sales	20,371,056	34,574,430
Gross Profit	5,164,884	8,434,686
Profit before taxation	2,176,597	5,708,700
Taxation	(875,784)	(2,164,199)
Profit after tax	1,300,813	3,542,275

Production and sales volumes for the years 2025 and 2024 are as follows:

	Units	
	2025	2024
Sales	7,739	14,269
Production	8,277	14,069

METHODS AND ASSUMPTIONS IN COMPILING INDICATORS

The Company has identified indicators that effectively reflect the Company's performance and profitability. The Company analyzes market positioning, competitors, and general market conditions while compiling key indicators.

Sales are monitored on daily basis through various management reports and future lines of action are decided accordingly. Gross profit, expenses, profit after tax, and EPS are monitored on monthly basis to gauge performance. For management reporting purposes, the Company has developed a mix of systems based on ERP and dashboard reports to compute various KPIs.

An effective financial reporting system coupled with various management reports and a three-layer review system enables AGTL to report accurate, complete, and reviewed information to all its stakeholders.

NON-FINANCIAL INDICATORS

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

Key Operating & Financial Data

	2025	2024	2023	2022	2021	2020
QUANTITATIVE DATA						
Units:	25%	24%	19%	18%	23%	23%
Sales	7,739	14,269	15,420	19,929	18,156	12,142
Production	8,277	14,069	14,317	21,216	17,120	12,654
			Rupees '000			
Profitability						
Revenue	20,371,056	34,574,430	34,543,545	28,201,812	20,578,906	11,935,172
Gross profit	5,164,884	8,434,686	6,423,068	5,061,446	4,721,228	2,766,012
Depreciation	415,223	387,530	187,795	120,952	84,846	81,512
Operating profit (before investment income)	2,141,639	5,624,169	4,241,652	3,688,799	4,078,670	1,887,289
Investment income	34,958	82,305	444,249	107,150	91,060	40,618
Profit before taxation	2,176,597	5,706,474	4,685,901	3,795,949	4,169,730	1,927,907
Income tax expense	875,784	2,166,425	2,075,320	1,639,905	1,211,868	578,250
Profit for the year	1,300,813	3,542,275	2,611,772	2,156,044	2,957,862	1,349,657
Earnings before investment income,						
tax and depreciation (EBITDA)	2,556,862	6,013,925	4,430,638	3,809,751	4,163,516	1,968,801
Manpower cost - Direct	921,992	819,334	680,089	515,339	397,871	302,194
Manpower cost - Indirect	820,957	631,167	596,291	356,872	263,703	283,646
Total manpower cost	1,742,949	1,450,501	1,276,380	872,211	661,574	585,840
Financial position						
Fixed assets	2,772,518	2,289,706	1,608,167	1,331,267	1,108,805	1,066,974
Other non-current assets	23,659	16,219	16,919	20,473	11,334	4,941
Employee benefit prepayments	-	-	32,039	-	8,481	36,197
Deferred tax asset	188,344	79,051	129,972	101,819	85,553	111,756
	2,984,521	2,384,976	1,787,097	1,453,559	1,214,173	1,219,868
Current assets	15,909,761	18,006,766	12,442,536	10,827,170	8,275,942	3,963,576
Current liabilities	8,092,913	11,002,538	8,299,836	8,990,546	5,467,934	2,849,239
Net working capital	7,816,848	7,004,228	4,142,700	1,836,624	2,808,008	1,114,337
Less: Non-current liabilities	266,631	192,291	149,572	158,098	48,914	46,083
Capital employed	10,534,738	9,196,913	5,780,225	3,132,085	3,973,267	2,288,122
REPRESENTED BY:						
Share capital	289,821	289,821	289,821	289,821	289,821	289,821
Reserves	-	-	-	-	-	1,049,000
Unappropriated profit	10,244,917	8,907,092	5,490,404	2,842,264	3,683,446	949,301
	10,534,738	9,196,913	5,780,225	3,132,085	3,973,267	2,288,122
Cash flows						
Operating activities	3,783,043	(530,813)	3,051,290	(4,270,631)	4,630,496	2,125,302
Investing activities	(857,572)	(973,273)	(11,685)	(162,817)	(34,067)	(38,909)
Financing activities	(2,452,737)	756,727	(1,234,748)	2,353,917	(1,240,189)	(4,708)

Analysis of Financial Ratios

	2025	2024	2023	2022	2021	2020
ANALYSIS OF FINANCIAL RATIOS						
Profitability Ratios						
Gross profit ratio	25.35%	24.40%	18.59%	17.60%	22.94%	23.18%
Pre-tax profit ratio	10.68%	16.50%	13.57%	13.46%	20.26%	16.15%
Net profit to sales	6.39%	10.25%	7.56%	7.65%	14.37%	11.31%
EBITDA margin to sales	12.55%	17.39%	12.83%	13.51%	20.23%	16.50%
Operating leverage ratio	1.40	399.68	0.72	-0.23	1.54%	-2.68
Return on asset	6.88%	17.37%	18.35%	17.56%	31.17%	26.04%
Return on Equity / Capital employed	12.35%	38.52%	45.18%	68.84%	74.44%	58.99%
Liquidity Ratios						
Current ratio	1.97	1.64	1.50	1.20	1.51	1.39
Quick ratio	1.24	1.11	0.77	0.62	0.99	0.69
Cash to current liabilities	0.18	0.09	0.21	0.08	0.37	0.08
Activity / Turnover Ratios						
Inventory turnover ratio	2.61	4.41	4.96	5.71	6.50	3.83
Receivables turnover ratio	5	14	427	339	9,455	2,480
Creditors turnover ratio	4	7	11	16	18	28
Fixed assets turnover ratio	7.35	15.10	21.48	21.18	18.56	11.19
Total assets turnover ratio	1.08	1.70	2.43	2.30	2.17	2.30
Operating Cycle						
No. of days in inventory	140	83	74	64	56	95
No. of days in receivables	70	27	1	1	0	0
No. of days in payables	84	54	33	22	21	13
Operating cycle	126	56	42	43	36	83
Capital Structure Ratios						
Financial leverage ratio	0.29	0.31	0.31	0.38	0.39	0.75
Weighted average cost of debt	2.23%	2.65%	3.84%	3.84%	0.00%	0.00%
Debt to equity ratio (As per book value)	0.00	0.26	0.29	1.18	0.00	0.08
Debt to equity ratio (As per market value)	0.00	0.06	0.06	0.17	0.00	0.00
Interest cover ratio	8.54	13.78	14.15	16.09	477.32	14.22
Investment / Market Ratios						
Pre-tax earning per share (Basic and diluted) - Rs	37.55	98.45	80.84	65.49	71.94	33.26
Post-tax earning per share (Basic and diluted) - Rs	22.44	61.11	45.06	37.20	51.03	23.28
Price earnings ratio	17.85	9.20	8.12	8.55	6.60	15.95
Dividend yield ratio	0.00%	0.00%	0.00%	0.00%	15.14%	5.76%
Dividend ratio	-	-	-	-	6.60	17.37
Dividend payout ratio	0.00%	0.00%	0.00%	0.00%	100.00%	91.86%
Dividend cover	-	-	-	-	1.00	1.09
Dividend per share						
- Cash	-	-	-	-	51.03	21.39
- Bonus	-	-	-	-	-	-
Dividend payout - Rs ' 000	-	-	-	-	2,957,862	1,239,854
Cash dividend - %	0%	0%	0%	0%	1021%	428%
Market value per share - Rs						
- Closing	400.7	562.0	366.0	318.0	337.0	371.5
- High	725.0	600.0	462.4	470.0	408.0	418.8
- Low	351.0	306.0	247.5	315.0	320.1	210.2
Market capitalisation - Rs million	23,224	32,576	21,215	18,433	19,534	21,531
Breakup value per share - Rs	181.75	158.67	99.72	54.03	68.55	39.47
Market price to break up value	2.20	3.54	3.67	5.89	4.92	9.41
Earning yield (%)	5.60%	10.87%	12.31%	11.70%	15.14%	6.27%

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

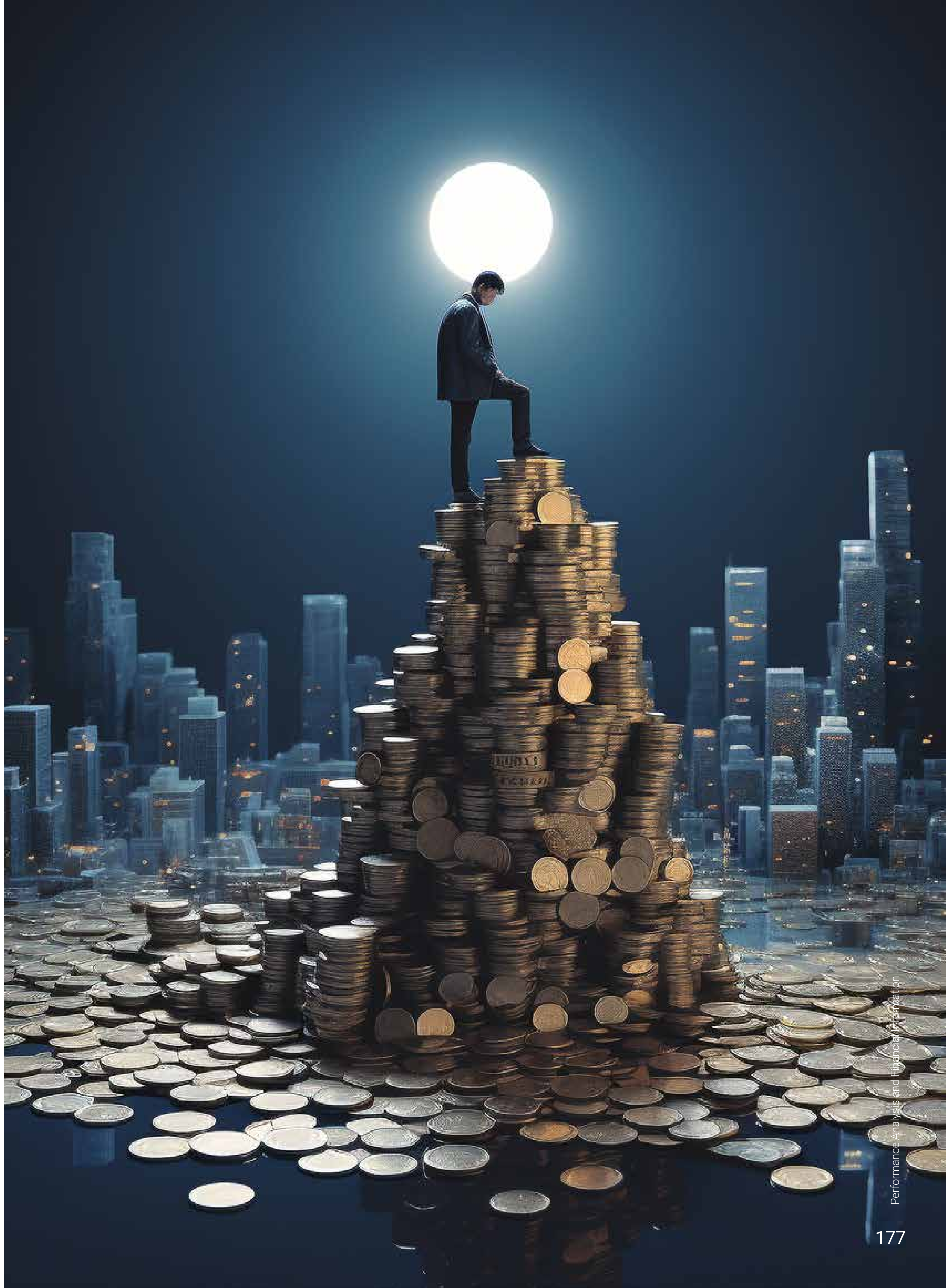
The operating cycle analysis for the year 2024 provides insights into the efficiency of the company's operational processes. The number of days in inventory, which stands at 83 days, indicates the average number of days it takes for the company to convert its inventory into sales. A lower value for this 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

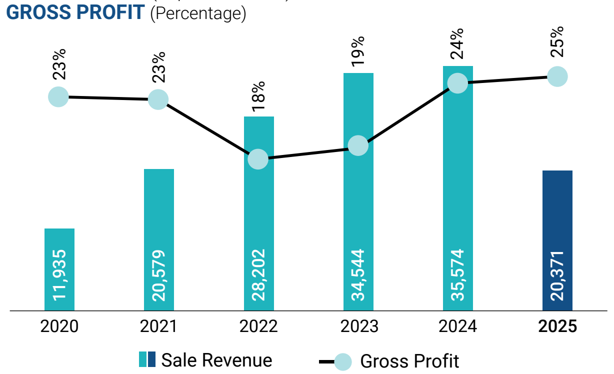
The company's capital structure ratios highlight a conservative financial approach. The financial leverage ratio of 0.31 indicates a low level of financial leverage, suggesting that the company relies more on equity financing than debt. The weighted average cost of debt is reasonable at 2.65%, indicating 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.

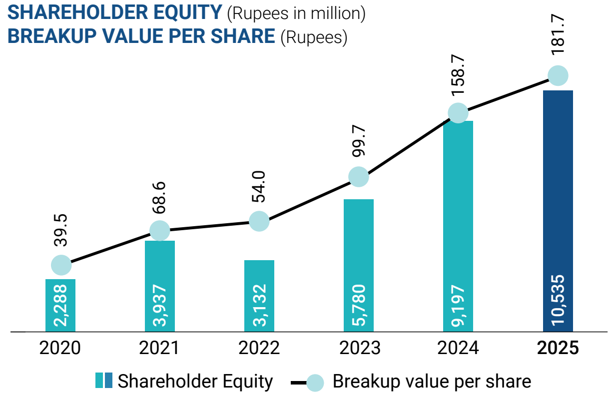


Graphical Analysis

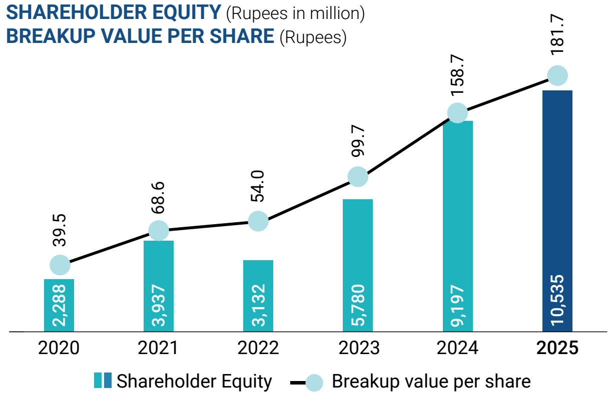
SALE REVENUE (Rupees in million)
GROSS PROFIT (Percentage)



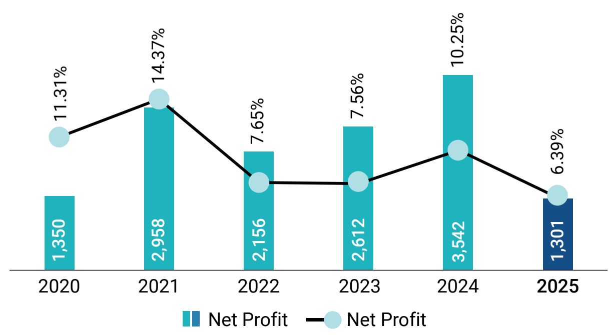
SHAREHOLDER EQUITY (Rupees in million)
BREAKUP VALUE PER SHARE (Rupees)



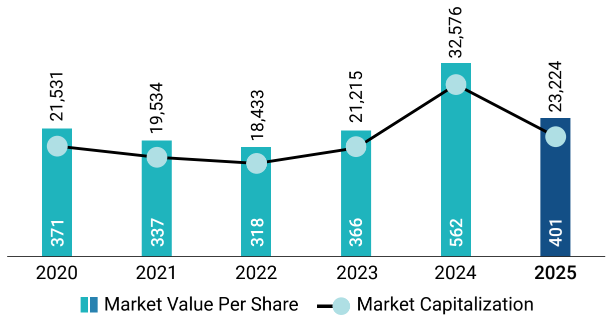
SHAREHOLDER EQUITY (Rupees in million)
BREAKUP VALUE PER SHARE (Rupees)



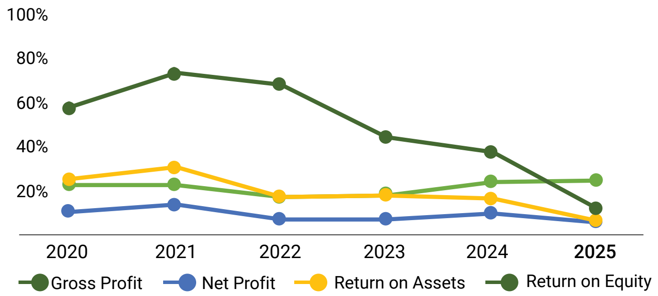
NET PROFIT (Rupees in million)
NET PROFIT (Percentage)



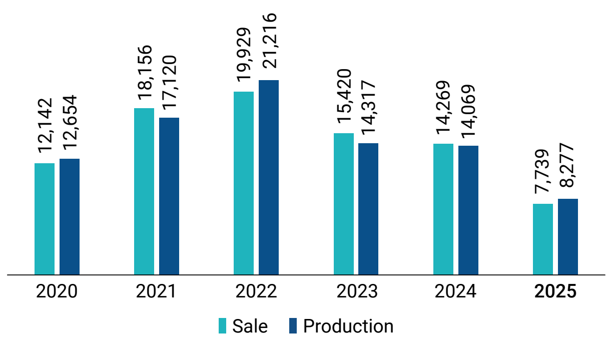
MARKET VALUE PER SHARE (Rupees)
MARKET CAPITALIZATION (Rupees in million)



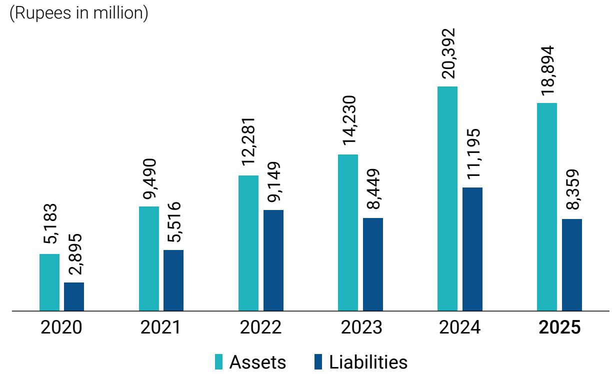
PROFITABILITY & RETURN (Percentage)



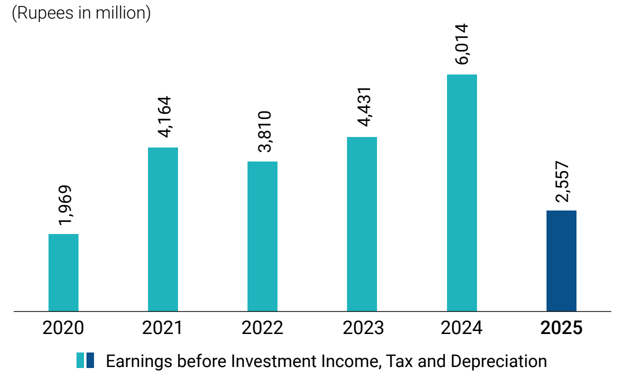
SALES AND PRODUCTION UNITS



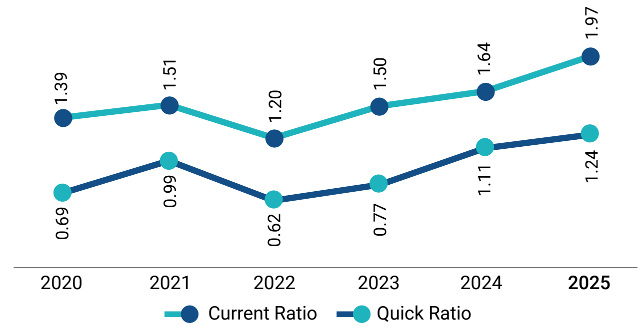
ASSETS AND LIABILITIES
(Rupees in million)



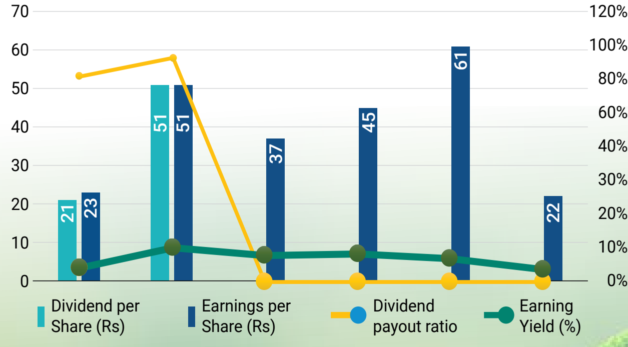
EBITDA
(Rupees in million)



CURRENT RATIO - QUICK RATIO



EARNING (Rupees)
DISTRIBUTION (Percentage)



Six Years Horizontal Analysis

	2025	2024	2023	2022	2021	2020
			(Rupees '000)			
BALANCE SHEET						
Fixed assets	2,772,518	2,289,706	1,608,167	1,331,267	1,108,805	1,066,974
Long-term loans and deposits	23,659	16,219	16,919	20,473	11,334	4,941
Employee benefit prepayments	-	-	32,039	-	8,481	36,197
Deferred tax asset	188,344	79,051	129,972	101,819	85,553	111,756
Inventories	5,903,075	5,764,333	6,084,499	5,263,574	2,875,085	2,004,517
Trade receivables	2,756,582	5,052,051	-	161,820	4,651	-
Loan and advances	466,239	984,688	95,715	91,105	147,874	86,561
Trade deposits and short-term prepayments	87,463	107,456	324,848	372,903	114,772	24,925
Interest accrued	10,882	344	3,371	1,550	1,396	197
Other receivables	30,864	49,327	201	4,833	8,283	8,225
Taxation - payments less provision	-	-	-	-	142,313	157,786
Refunds due from the Government	5,205,832	5,072,477	4,210,453	4,203,395	2,983,446	1,450,847
Cash and bank balances	1,448,824	976,090	1,723,449	727,990	1,998,122	230,518
Total assets	18,894,282	20,391,742	14,229,633	12,280,729	9,490,115	5,183,444
Current liabilities	8,092,913	11,002,538	8,299,836	8,990,546	5,467,934	2,849,239
Non-current liabilities	266,631	192,291	149,572	158,098	48,914	46,083
Total liabilities	8,359,544	11,194,829	8,449,408	9,148,644	5,516,848	2,895,322
Capital employed	10,534,738	9,196,913	5,780,225	3,132,085	3,973,267	2,288,122
Share capital	289,821	289,821	289,821	289,821	289,821	289,821
Reserves	10,244,917	8,907,092	5,490,404	2,842,264	3,683,446	1,998,301
Capital employed	10,534,738	9,196,913	5,780,225	3,132,085	3,973,267	2,288,122
PROFIT AND LOSS ACCOUNT						
Revenue	20,371,056	34,574,430	34,543,545	28,201,812	20,578,906	11,935,172
Cost of sales	15,206,172	26,139,744	28,120,477	23,140,366	15,857,678	9,164,670
Gross profit	5,164,884	8,434,686	6,423,068	5,061,446	4,721,228	2,770,502
Distribution expenses	792,858	804,790	428,974	322,944	120,631	221,904
Administrative expenses	1,832,544	1,466,521	1,080,879	536,715	353,849	322,675
	2,539,482	6,163,375	4,913,215	4,102,618	4,246,748	2,225,923
Other income	187,031	315,630	560,091	184,613	146,057	58,798
Other operating expenses	261,231	323,530	429,812	345,416	214,321	211,025
	2,465,282	6,155,475	5,043,494	3,941,815	4,178,484	2,073,696
Finance cost	288,685	446,775	356,402	245,035	8,754	145,789
Profit before taxation	2,176,597	5,708,700	4,687,092	3,795,949	4,169,730	1,927,907
Income tax expense	875,784	2,166,425	2,075,320	1,639,905	1,211,868	578,250
Profit for the year	1,300,813	3,542,275	2,611,772	2,156,044	2,957,862	1,349,657

Increase / (Decrease) from preceeding year in Rs '000

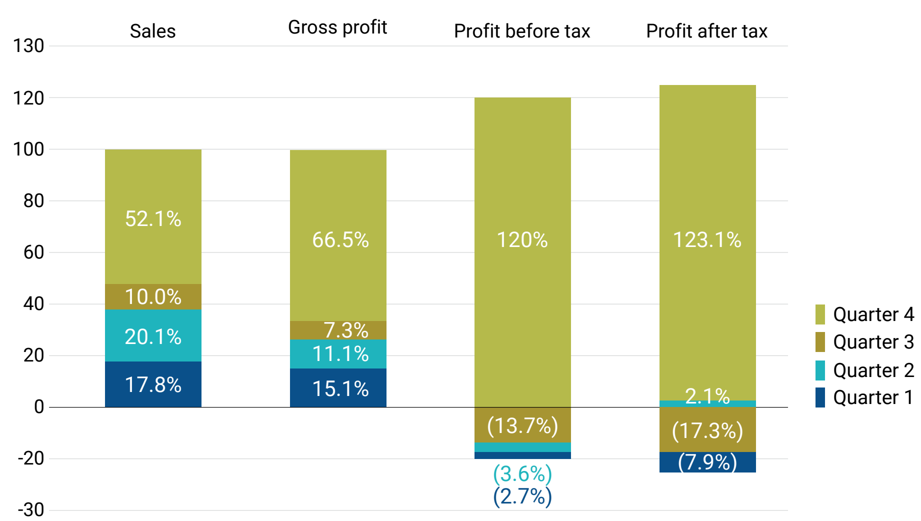
	2025	2024	2023	2022	2021	2020
			(Rupees '000)			
BALANCE SHEET						
Fixed assets	482,812	681,539	276,900	222,462	41,831	(1,408)
Long-term loans and deposits	7,440	(700)	(3,553)	9,139	6,393	184
Employee benefit prepayments	-	(32,039)	32,039	(8,481)	(27,716)	36,197
Deferred tax asset	109,293	(50,921)	28,153	16,266	(26,203)	24,666
Inventories	138,742	(320,166)	820,925	2,388,489	870,568	(782,376)
Trade receivables	(2,295,469)	5,052,051	(161,820)	157,169	4,651	(9,624)
Loan and advances	(518,449)	888,973	4,610	(56,769)	61,313	(6,655)
Trade deposits and short-term prepayments	(19,993)	(217,392)	(48,055)	258,131	89,847	17,527
Interest accrued	10,538	(3,027)	1,821	154	1,199	197
Other receivables	(18,463)	49,126	(4,632)	(3,450)	58	(99,909)
Taxation - payments less provision	-	-	-	(142,313)	(15,473)	(189,676)
Refunds due from the Government	133,355	862,024	7,058	1,219,949	1,532,599	677,513
Cash and bank balances	472,734	(747,359)	995,459	(1,270,132)	1,767,604	41,425
Total assets	(1,497,460)	6,162,109	1,948,904	2,790,614	4,306,671	(291,939)
Current liabilities	(2,909,625)	2,702,702	(690,710)	3,522,612	2,618,695	(1,592,839)
Non-current liabilities	74,340	42,719	(8,526)	109,184	2,831	(83,505)
Total liabilities	(2,835,285)	2,745,421	(699,236)	3,631,796	2,621,526	(1,676,344)
Capital employed	1,337,825	3,416,688	2,648,140	(841,182)	1,685,145	1,384,405
Share capital	-	-	-	-	-	-
Reserves	1,337,825	3,416,688	2,648,140	(841,182)	1,685,145	1,384,405
Capital employed	1,337,825	3,416,688	2,648,140	(841,182)	1,685,145	1,384,405
PROFIT AND LOSS ACCOUNT						
Revenue	(14,203,374)	30,885	6,341,733	7,622,906	8,643,734	(2,057,216)
Cost of sales	(10,933,572)	(1,980,733)	4,980,111	7,282,688	6,693,008	(2,283,002)
Gross profit	(3,269,802)	2,011,618	1,361,622	340,218	1,950,726	225,786
Distribution expenses	(11,932)	375,816	106,030	202,313	(101,273)	(42,042)
Administrative expenses	366,023	385,642	544,164	182,866	31,174	25,912
	(3,623,893)	1,250,160	810,597	(144,130)	2,020,825	241,916
Other income	(128,599)	(244,461)	375,478	38,556	87,259	(2,625)
Other operating expenses	(62,299)	(106,282)	84,396	131,095	3,296	(87,418)
	(3,690,193)	1,111,981	1,101,679	(236,669)	2,104,788	326,709
Finance cost	(158,090)	90,373	111,367	236,281	(137,035)	(252,674)
Profit before taxation	(3,532,103)	1,021,608	891,143	(373,781)	2,241,823	579,383
Income tax expense	(1,290,641)	91,105	435,415	428,037	633,618	207,378
Profit for the year	(2,241,462)	930,503	455,728	(801,818)	1,608,205	372,005

Six Years Vertical Analysis

	2025 (Rupees '000)	2025 %age	2024 (Rupees '000)	2024 %age	2023 (Rupees '000)	2023 %age	2022 (Rupees '000)	2022 %age	2021 (Rupees '000)	2021 %age	2020 (Rupees '000)	2020 %age
BALANCE SHEET												
Fixed assets	2,772,518	26.32%	2,289,706	24.90%	1,608,167	27.82%	1,331,267	42.50%	1,108,805	27.91%	1,066,974	46.63%
Long-term loans and deposits	23,659	0.22%	16,219	0.18%	16,919	0.29%	20,473	0.65%	11,334	0.29%	4,941	0.22%
Employee benefit prepayments	-	0.00%	-	0.00%	32,039	0.55%	-	0.00%	8,481	0.21%	36,197	1.58%
Deferred tax asset	188,344	1.79%	79,051	0.86%	129,972	2.25%	101,819	3.25%	85,553	2.15%	111,756	4.88%
Inventories	5,903,075	56.03%	5,764,333	62.68%	6,084,499	105.26%	5,263,574	168.05%	2,875,085	72.36%	2,004,517	87.61%
Trade receivables	2,756,582	26.17%	5,052,051	54.93%	-	0.00%	161,820	5.17%	4,651	0.12%	-	0.00%
Loan and advances	466,239	4.43%	984,688	10.71%	95,715	1.66%	91,105	2.91%	147,874	3.72%	86,561	3.78%
Trade deposits and short-term prepayments	87,463	0.83%	107,456	1.17%	324,848	5.62%	372,903	11.91%	114,772	2.89%	24,925	1.09%
Interest accrued	10,882	0.10%	344	0.00%	3,371	0.06%	1,550	0.05%	1,396	0.04%	197	0.01%
Other receivables	30,864	0.29%	49,327	0.54%	201	0.00%	4,833	0.15%	8,283	0.21%	8,225	0.36%
Taxation - payments less provision	-	0.00%	-	0.00%	-	0.00%	-	0.00%	142,313	3.58%	157,786	6.90%
Refunds due from the Government	5,205,832	49.42%	5,072,477	55.15%	4,210,453	72.84%	4,203,395	134.20%	2,983,446	75.09%	1,450,847	63.41%
Cash and bank balances	1,448,824	13.75%	976,090	10.61%	1,723,449	29.82%	727,990	23.24%	1,998,122	50.29%	230,518	10.07%
Total assets	18,894,282	179.35%	20,391,742	221.72%	14,229,633	246.18%	12,280,729	392.09%	9,490,115	238.85%	5,183,444	226.54%
Current liabilities	8,092,913	76.82%	11,002,538	119.63%	8,299,836	143.59%	8,990,546	287.05%	5,467,934	137.62%	2,849,239	124.52%
Non-current liabilities	266,631	2.53%	192,291	2.09%	149,572	2.59%	158,098	5.05%	48,914	1.23%	46,083	2.01%
Total liabilities	8,359,544	79.35%	11,194,829	121.72%	8,449,408	146.18%	9,148,644	292.09%	5,516,848	138.85%	2,895,322	126.54%
Capital employed	10,534,738	100.00%	9,196,913	100.00%	5,780,225	100.00%	3,132,085	100.00%	3,973,267	100.00%	2,288,122	100.00%
Share capital	289,821	2.75%	289,821	3.15%	289,821	5.01%	289,821	9.25%	289,821	7.29%	289,821	12.67%
Reserves	10,244,917	97.25%	8,907,092	96.85%	5,490,404	94.99%	2,842,264	90.75%	3,683,446	92.71%	1,998,301	87.33%
Capital employed	10,534,738	100.00%	9,196,913	100.00%	5,780,225	100.00%	3,132,085	100.00%	3,973,267	100.00%	2,288,122	100.00%
PROFIT AND LOSS ACCOUNT												
Revenue	20,371,056	100.00%	34,574,430	100.00%	34,543,545	100.00%	28,201,812	100.00%	20,578,906	100.00%	11,935,172	100.00%
Cost of sales	15,206,172	74.65%	26,139,744	75.60%	28,120,477	81.41%	23,140,366	82.05%	15,857,678	77.06%	9,164,670	76.79%
Gross profit	5,164,884	25.35%	8,434,686	24.40%	6,423,068	18.59%	5,061,446	17.95%	4,721,228	22.94%	2,770,502	23.21%
Distribution expenses	792,858	3.89%	804,790	2.33%	428,974	1.24%	322,944	1.15%	120,631	0.59%	221,904	1.86%
Administrative expenses	1,832,544	9.00%	1,466,521	4.24%	1,080,879	3.13%	536,715	1.90%	353,849	1.72%	322,675	2.70%
	2,539,482	12.47%	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%
Other income	187,031	0.92%	315,630	0.91%	560,091	1.62%	184,613	0.65%	146,057	0.71%	58,798	0.49%
Other operating expenses	261,231	1.28%	323,530	0.94%	429,812	1.24%	345,416	1.22%	214,321	1.04%	211,025	1.77%
	2,465,282	12.10%	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%
Finance cost	288,685	1.42%	446,775	1.29%	356,402	1.03%	245,035	0.87%	8,754	0.04%	145,789	1.22%
Profit before taxation	2,176,597	10.68%	5,708,700	16.51%	4,687,092	13.57%	3,795,949	13.46%	4,169,730	20.26%	1,927,907	16.15%
Income tax expense	875,784	4.30%	2,166,425	6.27%	2,075,320	6.01%	1,639,905	5.81%	1,211,868	5.89%	578,250	4.84%
Profit for the year	1,300,813	6.39%	3,542,275	10.25%	2,611,772	7.56%	2,156,044	7.65%	2,957,862	14.37%	1,349,657	11.31%

Quarterly Analysis

	1st Quarter March 2025	2nd Quarter June 2025	3rd Quarter September 2025	4th Quarter December 2025	Annual
	Rupees '000				
Revenue	3,635,965	4,090,723	2,034,063	10,610,305	**20,371,056**
Cost of sales	(2,855,458)	(3,519,237)	(1,657,548)	(7,173,929)	**(15,206,172)**
Gross profit	780,507	571,486	376,515	3,436,376	**5,164,884**
Gross profit %	21.5%	14.0%	18.5%	32.4%	**25.4%**
Distribution expenses	(294,734)	(135,633)	(121,291)	(241,200)	**(792,858)**
Administrative expenses	(409,725)	(436,750)	(431,301)	(554,768)	**(1,832,544)**
	(704,459)	(572,383)	(552,592)	(795,968)	**(2,625,402)**
Other income	36,183	43,545	35,007	72,296	**187,031**
Other operating expenses	(118,338)	(11,248)	(72,908)	(58,737)	**(261,231)**
Operating Profit	(6,107)	31,400	(213,978)	2,653,967	**2,465,282**
Finance cost	(50,131)	(108,285)	(107,833)	(180,526)	**(446,775)**
Profit before taxation	(58,223)	(78,999)	(299,099)	2,612,918	**2,176,597**
Income tax expense	(44,019)	106,088	73,512	(1,011,365)	**(875,784)**
Profit for the year	(102,242)	27,089	(225,587)	1,601,553	**1,300,813**
	-2.8%	0.7%	-11.1%	15.1%	**6.4%**



QUARTERLY RESULT COMMENTARY FOR THE YEAR 2025

REVENUE ANALYSIS

Throughout the year 2025, the company had consistent revenue apart from Q4, with quarterly revenues of Rs 3,636 M in Q1, Rs 4,091 M in Q2, Rs 2,034 M in Q3, and Rs 10,610 M in Q4, totaling Rs 20,371 M for the year. Notably, Q4 recorded the highest revenue, due to significant portion of the sales volume coming from "Green Tractor Scheme" in Q4.

GROSS PROFIT MARGIN

The gross profit margin fluctuated across quarters, ranging from 21.5% in Q1 to a maximum of 32.4% in Q4, with an annual average of 25.4%. 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 delivery costs of Green Tractor Scheme.

OTHER INCOME AND EXPENSES

The company generated additional income from non-operating sources, contributing Rs 187 M for the year.

Finance costs amounted to Rs. 288.7 million, reducing from 446.7 million, which represents significant reduction from last year, showing company's efficient cash management.

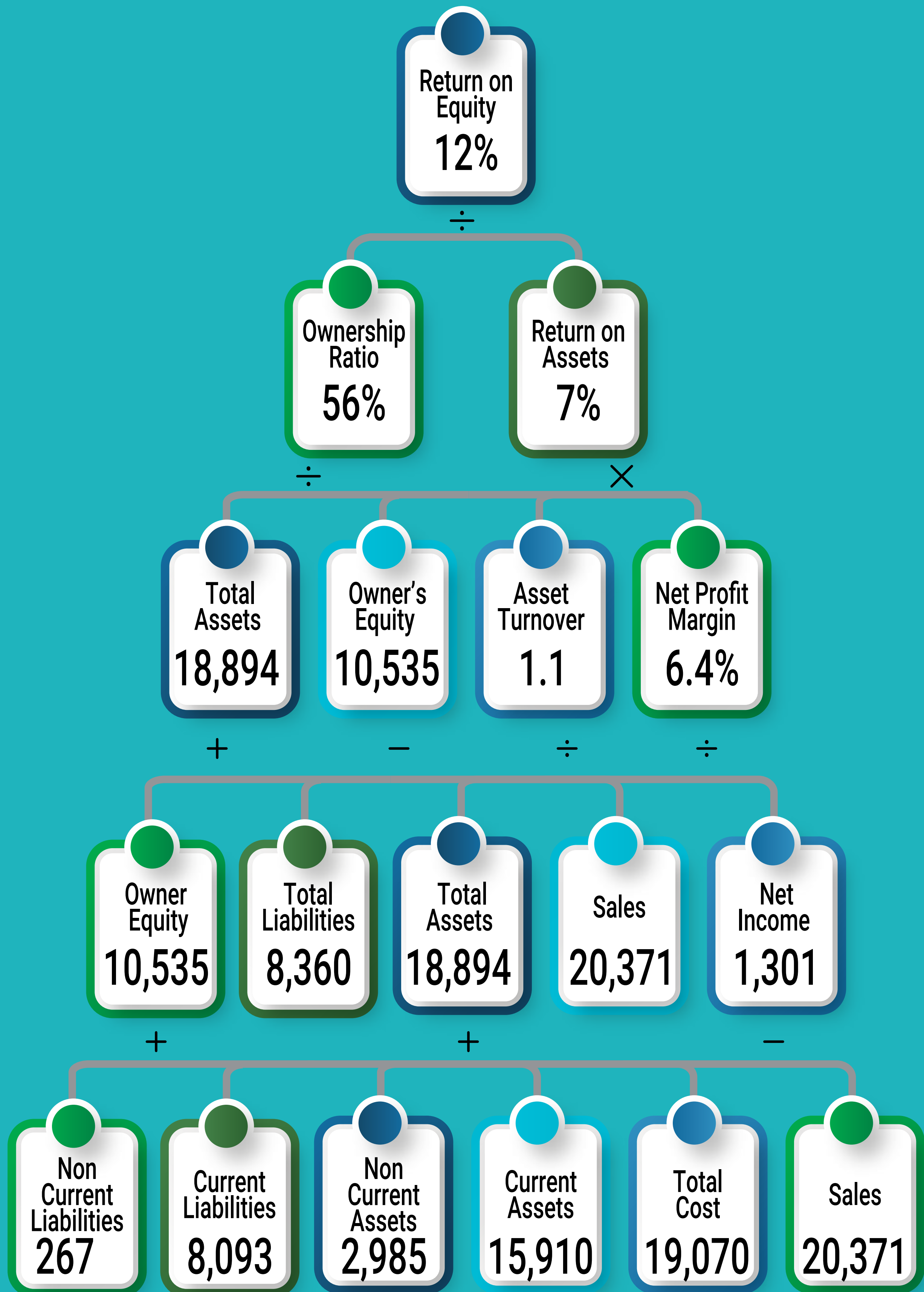
PROFITABILITY

The Company's net profit/(loss) margin fluctuated during the year due to variations in revenue levels and cost absorption, with losses reported in the first and third quarters and profitability achieved in the second and fourth quarters, resulting in an annual average net profit margin of 6.4%. The strong recovery in the latter part of the year, supported by improved volumes and margin expansion, underscores the Company's underlying earnings potential. Going forward, management remains focused on sustaining volume momentum, improving cost absorption, and strengthening operational efficiencies to deliver more stable and predictable profitability.

OVERALL PERFORMANCE

The Company closed the year 2025 with a profit after tax of Rs. 1.30 billion, compared to losses in certain interim quarters. The strong finish underscores the Company's ability to generate profitability under improved market conditions, while also highlighting the importance of maintaining consistent volumes and margins throughout the year.

Dupont Analysis



COMMENTS ON DUPONT ANALYSIS

The DuPont analysis for the year 2025 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 1.1 indicates that for every rupee of total assets, the company generated Rs 1.1 in sales revenue. This suggests efficient utilization of assets to drive sales growth and revenue generation.

PROFITABILITY

With a net profit margin of 6.4%, the company effectively converted its sales revenue into net income. This 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 56%. 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 7% demonstrates the company's efficiency in generating profits from its assets.

RETURN ON EQUITY (ROE)

The return on equity (ROE) of 12% 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 2025 indicates that the company's return on equity (ROE) of 12% is driven by its asset utilization, profitability, and financial leverage. The results reflect the combined impact of operational efficiency, cost management, and the company's financial structure during the year.

Direct Cash Flow Statement

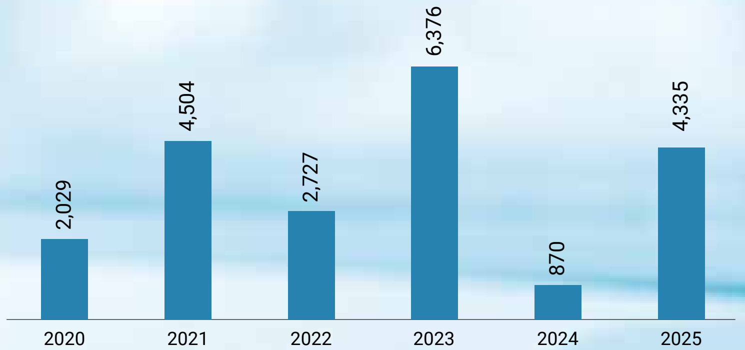
For the year ended December 31, 2025

	2025	2024
	Rupees '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	**17,614,474**	29,522,379
Cash paid to suppliers/service providers and employees	**(12,230,629)**	(27,081,266)
Customer advances	**59,644**	359,280
Income tax paid	**(1,116,688)**	(2,123,188)
Sales tax refund/(Payment)	**(133,355)**	(862,024)
Finance costs paid	**(402,963)**	(279,288)
Retirement benefits	**-**	(67,406)
Loans, deposits & other operating income - net	**1,299**	(404)
(Decrease)/increase in long-term loans	**(8,739)**	1,104
Net Cash (used)/generated from operating activities	**3,783,043**	(530,813)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	**(906,411)**	(1,069,069)
Proceeds from disposal of fixed assets	**24,419**	10,464
Return on bank deposits	**24,420**	85,332
Net Cash (used)/generated from investing activities	**(857,572)**	(973,273)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**(2,181)**	(4,580)
Musharkah facility obtained	**(2,429,291)**	780,638
Lease rentals paid	**(21,265)**	(19,331)
Net cash inflow/(outflow) from financing activities	**(2,452,737)**	756,727
Net (decrease)/increase in cash and cash equivalents	**472,734**	(747,359)
Cash and cash equivalents at beginning of the year	**976,090**	1,723,449
Cash and cash equivalents at end of the year	**1,448,824**	976,090

Free Cash Flows

	2025	2024	2023	2022	2021	2020
	Rupees '000					
Profit before taxation	**2,176,597**	5,708,700	4,687,092	3,795,949	4,169,730	1,927,907
Adjustment of non cash items	**896,914**	666,586	(147,678)	175,530	14,896	204,542
Working capital changes	**2,167,683**	(4,435,815)	2,306,076	(971,384)	445,869	(8,803)
Net cash generated from operating activities	**5,241,194**	1,939,471	6,845,490	3,000,096	4,630,495	2,123,646
Capital expenditure	**(906,411)**	(1,069,069)	(468,994)	(272,627)	(126,743)	(94,945)
Free Cash flows	**4,334,783**	870,402	6,376,496	2,727,469	4,503,752	2,028,701

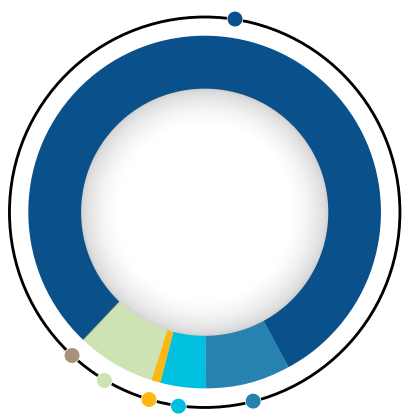
FREE CASH FLOWS
(Rupees in million)



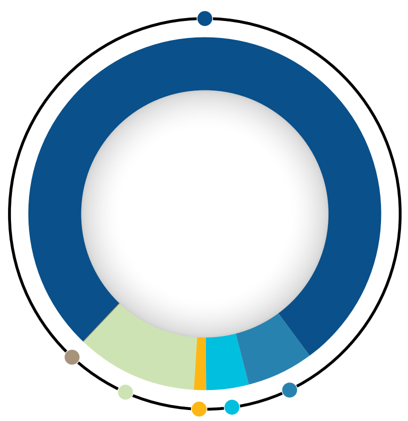
Statement of Value Addition

	2025		2024	
	Rs '000	%age	Rs '000	%age
WEALTH GENERATED				
Sales	**20,371,056**	99.1%	34,574,430	99.1%
Other income	**187,031**	0.9%	315,630	0.9%
	20,558,087	100.0%	34,890,060	100.0%
DISTRIBUTION OF WEALTH				
Cost of sales & overheads (excluding remuneration)	**16,349,856**	80%	27,284,084	78%
To employees as remuneration	**1,742,949**	8%	1,450,501	4%
To government as tax	**875,784**	4%	2,166,425	6%
WPPF and WWF	**171,340**	1%	422,896	1%
To shareholders as dividend	**2,181**	0%	4,580	0%
Cash Retained within the business	**1,415,977**	7%	3,566,154	10%
	20,558,087	100%	34,890,060	100%

2025



2024



STATEMENT OF VALUE ADDITION COMMENTARY FOR 2025

The statement of value addition for the year 2025 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 20,558m in wealth during 2025, representing a slight decrease from the previous year's figure of Rs 34,890m. The decrease is due to decrease in sales revenue (20,371m in 2025 vs 34,574m in 2024). Sales revenue 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 indicated diversified revenue streams.

DISTRIBUTION OF WEALTH

The distribution of wealth demonstrates the company's commitment to various stakeholders and societal obligations. Most of the wealth, represented by 80%, 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 8%, was distributed to employees as remuneration, highlighting the company's dedication to rewarding its workforce for their contributions to its success. Additionally, 4% 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 7% of total wealth within the business, amounting to Rs 1,415m. 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 2025 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

	2025	2024
	Rupees '000	
Net operating profit after tax	**1,589,498**	3,989,050
Cost of capital	**(60,793)**	(52,745)
Economic value added	**1,528,705**	3,936,305
Total assets	**18,894,282**	20,391,742
Current liabilities	**(8,092,913)**	(11,002,538)
Invested capital	**10,801,369**	9,389,204
WACC	**0.56%**	0.56%
Cost of capital	**60,793**	52,745

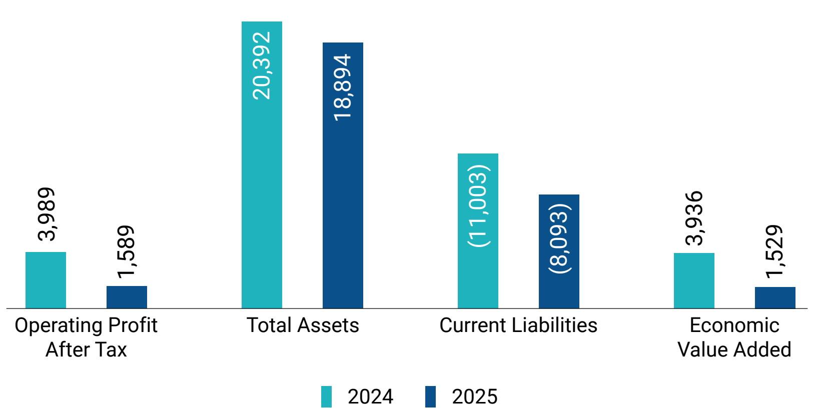
COMMENTS ON ECONOMIC VALUE ADDED (EVA)

The economic value added (EVA) analysis for the years 2025 and 2024 reveals a deteriorating trend in the company's performance. In 2025, the net operating profit after tax amounted to Rs 1,589m marking a significant decrease from the previous year's figure of Rs 3,989m. This decrease in profitability contributed to the decline of economic value added, which reached Rs 1,529m in 2025 compared to Rs 3,936m in 2024.

Furthermore, the company's invested capital witnessed an increase from Rs 9,389m in 2024 to Rs 10,801m in 2025, reflecting potential expansion or investment activities during the period. Despite minimal fluctuations in the weighted average cost of capital (WACC), the Company continued to generate positive EVA, higher capital employed and lower profitability led to a year on year decline in EVA.

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

ECONOMIC VALUE ADDED
(Rupees in million)



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 on 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

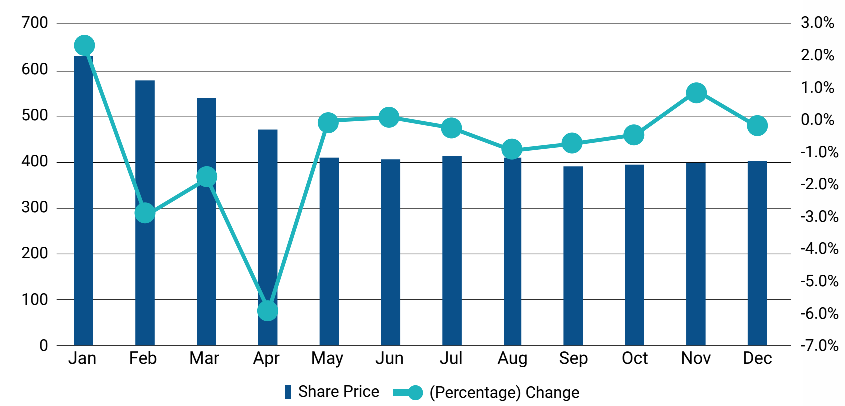
Political uncertainty and disruptions in law and order pose significant challenges to business operations, disrupting economic activity and supply chains. Such disruptions can adversely impact production levels and profitability, consequently affecting the company's share price.

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.

SHARE PRICE SENSITIVITY
Share Price Trend (Rupees)

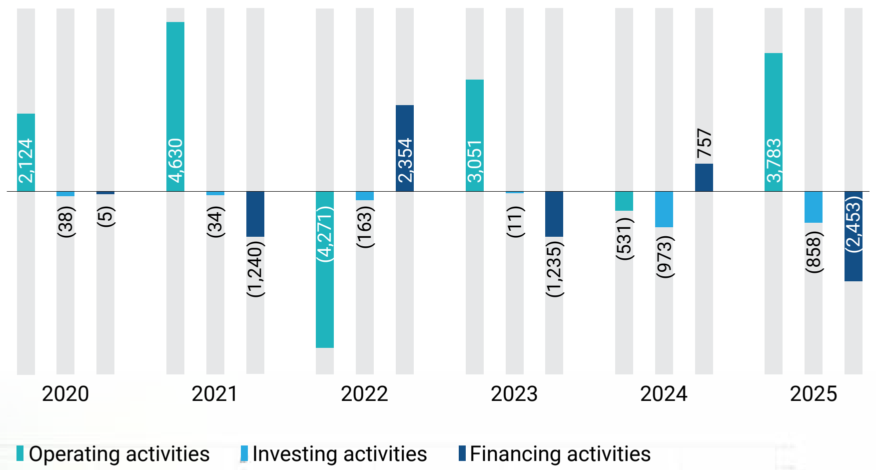


Summary of Statement of Cash Flows

Last Six Years

	2025	2024	2023	2022	2021	2020
	Rupees '000					
Net cash (used in) / generated from operating activities	**3,783,043**	(530,813)	3,051,290	(4,270,631)	4,630,496	2,125,302
Net cash used in investing activities	**(857,572)**	(973,273)	(11,685)	(162,817)	(34,067)	(38,909)
Net cash generated from / (used in) financing activities	**(2,452,737)**	756,727	(1,234,748)	2,353,917	(1,240,189)	(4,708)
Net (decrease) / increase in cash and cash equivalents	**472,734**	(747,359)	1,804,857	(2,079,531)	3,356,240	2,081,685
Cash and cash equivalents as at the beginning of the year	**976,090**	1,723,449	(81,409)	1,998,122	(1,358,118)	(3,439,803)
Cash and cash equivalents as at the end of the year	**1,448,824**	976,090	1,723,449	(81,409)	1,998,122	(1,358,118)

(Rupees in million)



COMMENTS ON CASH FLOW ANALYSIS:

The cash flow statement for the year 2025 provides valuable insights into the company's liquidity position, operational efficiency, and financing activities. The Company monitors its cash inflows and outflows on a daily basis. Cash management and investment strategies are planned well in advance to maximize returns.

OPERATING ACTIVITIES

Net cash generated from operating activities amounted to Rs 3,783m, this is due to collection of subsidy amount of Rs 5.2 billion from Govt. of Punjab against GTS invoicing. The company's core business operations were also profitable and generated positive cash flows during the year. This positive cash flow from operations suggests efficient management of working capital and effective revenue generation.

INVESTING ACTIVITIES

The company utilized Rs 858m in investing activities during the year, reflecting expenditures on capital investments, acquisitions, or other long-term assets. While this represents a cash outflow, it also signifies the company's commitment to investing in its future growth and expansion.

FINANCING ACTIVITIES

Net cash outflow from financing activities amounted to Rs 2,453 million during the year, primarily attributable to payments against the Musharakah facility.

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 different banks as at 31st Dec, 2025 stood at PKR 5.5 billion.

NET INCREASE IN CASH

Overall, the company experienced a net increase in cash and cash equivalents of Rs 472m during the year. This positive cash flow indicates that the company's cash inflows exceeded outflows, resulting in a positive liquidity position at the end of the year.

CASH POSITION

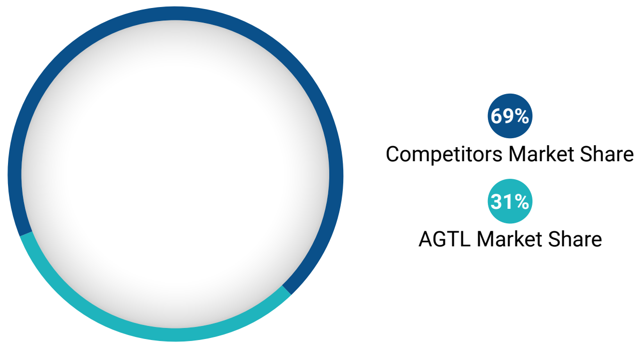
The company's cash and cash equivalents at the end of the year stood at Rs 1,449m, higher than the beginning-of-year balance of Rs 976m. This increase in cash reserves mainly due to collection of receivable balances from Govt.

In conclusion, the cash flow statement for 2025 reflects the company's ability to generate positive cash flows from its 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.

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 staff vehicles, replacement of essentials plant and machinery at manufacturing plant and staff wellbeing. Company expects to generate additional returns on the investments being made in assets.

Segmental Review of Business

MARKET SEGMENT / SHARE



The agricultural sector stands as a cornerstone of Pakistan's economy, constituting a vital segment of the nation's GDP and employing much 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, political turbulence, and government 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 eroded profitability 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 31% market share, while competitors control the remaining 69%.

AGTL has maintained 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. Ongoing severe rupee devaluation, coupled with continued restrictions on imports by the central bank and persistent political instability, has compounded matters, leading to unprecedented escalations in material costs and disruptions in the timely arrival of imported parts.

Considering these adversities, AGTL's sales figures for the year reflect the toll of these challenges, with the company selling 7,739 tractors compared to the previous year's tally of 14,269 units.

OPERATING SEGMENTS

The company's primary focus remains 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.

10
Financial Statements

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Financial Statements
for the year ended December 31, 2025

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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, 2025, 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, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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

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Following are the Key Audit Matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
(i)	**Revenue from contracts with customers** ***(Refer note 22 to the annexed financial statements)*** 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. During the year, Green Tractor Program and Wheat Incentive Program were announced by Government of Punjab. Under these program, the Company was required to deliver the tractors to the dealership and onwards to farmers, resulting in additional performance obligation. 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.	We performed, amongst others, the following audit procedures: • Obtained understanding and evaluated the design, implementation and operating effectiveness of controls over revenue; • Evaluated appropriateness of Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; • 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.; • Performed cut-off procedures on sample basis to ensure sales have been recorded in the correct period; • Performed verification over discounts, commission and incentives on sample basis; • Performed revenue analyses including month on month analysis, year on year analysis, model wise analysis, etc. and inquire unusual fluctuations, if any; and • Checked the adequacy of the disclosures made by the Company in this area with regard to applicable accounting and reporting standards.

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

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

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.

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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 Farrukh Rehman.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 25, 2026

UDIN: AR2025100599PvwGxzkj

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The Company Secretary
Al-Ghazi Tractors Limited
10 KM, Sheikhupura Road
Lahore

09 March 2026

Our reference: ASR 4526

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

Statement of Financial Position

As at December 31, 2025

	Note	2025	2024
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,216,671	1,838,546
Intangible assets	5	555,847	451,160
Deferred tax asset	6	188,344	79,051
Long-term loans		11,094	2,355
Long-term deposits		12,565	13,864
		2,984,521	2,384,976
CURRENT ASSETS			
Inventories	7	5,903,075	5,764,333
Trade receivables	8	2,756,582	5,052,051
Loans and advances	9	466,239	984,688
Trade deposits and short-term prepayments	10	87,463	107,456
Interest accrued		10,882	344
Other receivables	11	30,864	49,327
Refunds due from the Government	12	5,205,832	5,072,477
Cash and bank balances	13	1,448,824	976,090
		15,909,761	18,006,766
TOTAL ASSETS		18,894,282	20,391,742
SHARE CAPITAL AND RESERVES			
Share capital			
Share capital	14	289,821	289,821
Revenue reserve			
Unappropriated profit		10,244,917	8,907,092
		10,534,738	9,196,913
NON-CURRENT LIABILITIES			
Deferred staff benefits - compensated absences		170,992	102,052
Lease liability	15	11,697	31,476
Employee benefit obligations	34	83,942	58,763
		266,631	192,291
CURRENT LIABILITIES			
Trade and other payables	16	4,895,563	5,336,823
Provision for warranty services	17	73,080	46,842
Contract Liabilities	18	550,376	490,732
Taxation - provision less payments		78,520	206,131
Unclaimed dividend		58,737	60,918
Unpaid dividend	19	2,416,858	2,416,858
Current portion of lease liability	15	19,779	14,943
Short-term financing	20	-	2,429,291
		8,092,913	11,002,538
TOTAL LIABILITIES		8,359,544	11,194,829
CONTINGENCIES AND COMMITMENTS	21	-	-
TOTAL EQUITY AND LIABILITIES		18,894,282	20,391,742

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, 2025

	Note	2025	2024
		(Rupees in thousand)	
Revenue from contracts with customers	22	20,371,056	34,574,430
Cost of sales	23	(15,206,172)	(26,139,744)
Gross profit		5,164,884	8,434,686
Distribution expenses	24	(695,370)	(678,540)
Administrative expenses	25	(1,832,544)	(1,466,521)
Net impairment losses on financial assets		(97,488)	(126,250)
Other income	26	187,031	315,630
Other expenses	27	(261,231)	(323,530)
Operating Profit		2,465,282	6,155,475
Finance costs	28	(288,685)	(446,775)
Profit before taxation and levy		2,176,597	5,708,700
Levy - final tax	29	-	(2,226)
Profit before taxation		2,176,597	5,706,474
Income tax expense	30	(875,784)	(2,164,199)
Profit for the year		1,300,813	3,542,275
Earnings per share (Rupees) - Basic and diluted	31	22.44	61.11

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, 2025

	2025	2024
	(Rupees in thousand)	
Profit for the year	1,300,813	3,542,275
Other comprehensive income / (loss):		
Items that will not be subsequently reclassified in profit or loss		
Remeasurements of post employment benefit obligations - note 34	37,012	(125,587)
Total comprehensive income for the year	1,337,825	3,416,688

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, 2025

	Issued, subscribed and paid up capital	Revenue Reserves Unappropriated profit	Total
	(Rupees in thousand)		
Balance as at January 1, 2024	289,821	5,490,404	5,780,225
Transactions with the owners recorded directly in equity			
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
Balance as at January 1, 2025	289,821	8,907,092	9,196,913
Transactions with the owners recorded directly in equity			
Total comprehensive income for the year ended December 31, 2025			
Profit for the year ended December 31, 2025	-	1,300,813	1,300,813
Other comprehensive Income for the year ended December 31, 2025	-	37,012	37,012
	-	1,337,825	1,337,825
Balance as at December 31, 2025	289,821	10,244,917	10,534,738

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, 2025

	Note	2025	2024
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	5,241,194	1,939,471
Income tax and levy paid		(1,116,688)	(2,123,188)
Finance cost paid		(402,963)	(279,288)
Decrease / (increase) in long-term deposits		1,299	(404)
Employee benefit obligations paid		-	(67,406)
Increase / (decrease) in deferred staff benefits - compensated absences		68,940	(1,102)
(Increase) / decrease in long-term loans		(8,739)	1,104
Net cash inflow / (outflow) from operating activities		3,783,043	(530,813)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(731,030)	(489,005)
Additions to intangible assets		(175,381)	(580,064)
Proceeds from disposal of property, plant and equipment		24,419	10,464
Return on bank deposits received		24,420	85,332
Net cash outflow from investing activities		(857,572)	(973,273)
CASH FLOW FROM FINANCING ACTIVITY			
Dividend paid		(2,181)	(4,580)
Musharkah facility obtained		5,730,989	5,745,190
Musharkah facility repaid		(8,160,280)	(4,964,552)
Short term borrowing obtained		2,520,297	5,152,587
Short term borrowing repaid		(2,520,297)	(5,152,587)
Lease rentals paid		(21,265)	(19,331)
Net cash (outflow) / inflow from financing activities		(2,452,737)	756,727
Net increase / (decrease) in cash and cash equivalents		472,734	(747,359)
Cash and cash equivalents at beginning of the year		976,090	1,723,449
Cash and cash equivalents at end of the year	33	1,448,824	976,090

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, 2025

1. THE COMPANY AND ITS OPERATIONS

1.1 Al-Ghazi Tractors Limited (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 10 KM, Sheikhupura Road, Lahore.
- Corporate offices are situated at:
  - Askari Corporate Tower, Plot No. 75D, 76D - LDA Scheme, Gulberg III, District Lahore.
  - Tractor House, 102-B, 16th East Street, DHA Phase I, Off. Korangi Road, Karachi.
- 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:
  - 10 KM, Sheikhupura 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, Sukkur.

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:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 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 34 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.

During the year, an assessment of the useful lives of Intangible assets was conducted by management. Based on the review, the estimated useful lives of the intangible assets were revised from 3 years to 4 years except for S/4 Hana which was revised to 10 years. The revision was accounted for prospectively as a change in accounting estimate in accordance with the requirements of IAS 8 'Accounting Policies, Change in Accounting Estimate and Errors'. This assessment and resulting revision were carried out in line with the Group's accounting policy framework.

The effect of the change of useful life in the current financial year was a decrease in the amortisation expense of Rs.199.10 million.The resulting after tax impact was an increase in profit for the year of Rs. 121.44 million.

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.

vi. Impairment of trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

2.5 Changes in accounting standards, interpretations and pronouncements

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for Company's annual accounting period which began on January 1, 2025. However, these do not have any significant impact on the Company's financial reporting.

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

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2026. The following amendments and standard have not been early adopted by the Company:

(i) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2026)

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 solely 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)

(ii) IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced are as follows:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 01, 2025. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

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

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 Intangible assets

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 4 to 10 years (2024: 3 years).

Costs associated with maintaining computer software 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.

Notes to and
Forming Part of the Financial Statements
For the year ended December 31, 2025

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.

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 is classified as levy in the statement of profit or loss as this levy 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.

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, 2025 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.

3.13 Trade and other payables

Trade and other payables are initially measured at cost which is the fair value of the consideration to be paid in the future for goods and services received. These are subsequently measured at amortised cost.

3.14 Contract liability (Advance from customers)

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 at 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 except under Green Tractor Program and Wheat Incentive Program, where the tractors are required to be delivered to the dealership and onwards to the farmers.

- 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 recognised 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 recognised at full amount. The Company's tractor sales is generated through advances from customers and credit periods as per Company policy. While in the case of implements and trading goods credit periods are provided as per Company policy on a case to case basis. The credit term does not include any financing component.

(b) Warranties

When determining the nature of warranty-related promises, the Company considers whether all or part of the warranty provides the customer with an additional service beyond the basic assurance that it will perform in accordance with published specifications.

Standard-type warranties of free repair, parts replacement, assurance and major rectification to the customer along with free service after specific intervals are not offered separately for any consideration by the Company and rather are embedded in the sale price of the good. Accordingly, the same are not considered to be separate performance obligations and are accounted for under IAS 37.

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 recognised 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 Segment Reporting

Segment results that are reported to the Company's Chief Executive Officer (CEO), the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, comprise mainly corporate assets, head office, expenses and tax assets and liabilities.

Management has determined that the Company has a single reportable segment and therefore it has only presented entity wise disclosures.

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.

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 statement of comprehensive income.

(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.

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.

(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.

	Note	2025	2024
		(Rupees in thousand)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	1,762,846	1,733,297
Capital work-in-progress	4.2	453,825	105,249
		2,216,671	1,838,546

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2025

4.1 Operating assets

	Land: Freehold	Land: Lease hold	Building on freehold land	Building on lease hold land	Plant and machinery	Furniture, fixtures and office equipment	Computer hardware	Vehicles	Factory equipment and tools	Right of use assets (Note 4.1.3)	Total
	Rupees in thousand										
Net carrying value basis Year ended December 31, 2025											
Opening net book value	4,334	69,356	399,317	140,077	309,029	147,224	306,817	157,897	159,476	39,770	1,733,297
Additions	-	-	13,148	-	75,389	27,894	98,747	139,216	15,302	-	369,696
Transfers from capital work-in-progress	-	-	1,257	-	6,430	66	-	5,005	-	-	12,758
Disposals											
Cost	-	-	-	-	-	373	703	53,694	-	-	54,770
Accumulated depreciation	-	-	-	-	-	(237)	(463)	(45,694)	-	-	(46,394)
	-	-	-	-	-	136	240	8,000	-	-	8,376
Depreciation charge	-	(704)	(13,203)	(4,642)	(49,868)	(21,422)	(143,793)	(74,156)	(22,505)	(14,236)	(344,529)
Closing net book value	4,334	68,652	400,519	135,435	340,980	153,626	261,531	219,962	152,273	25,534	1,762,846
Gross carrying value basis At December 31, 2025											
Cost	4,334	81,599	567,531	186,676	776,211	242,752	574,634	477,596	249,976	71,374	3,232,683
Accumulated depreciation	-	(12,947)	(167,012)	(51,241)	(435,231)	(89,126)	(313,103)	(257,634)	(97,703)	(45,840)	(1,469,837)
Net book value	4,334	68,652	400,519	135,435	340,980	153,626	261,531	219,962	152,273	25,534	1,762,846
Net carrying value basis Year ended December 31, 2024											
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	-	-	410	-	144,882	7,958	67,409	36,644	13,524	-	270,827
Transfers from capital work-in-progress	-	-	5,113	-	40,615	10,566	243,946	39,443	-	-	339,683
Disposals											
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)
Closing net book value	4,334	69,356	399,317	140,077	309,029	147,224	306,817	157,897	159,476	39,770	1,733,297
Gross carrying value basis At December 31, 2024											
Cost	4,334	81,599	553,126	186,676	694,392	215,165	476,590	387,069	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)
Net book value	4,334	69,356	399,317	140,077	309,029	147,224	306,817	157,897	159,476	39,770	1,733,297

Operating assets include fully depreciated assets having cost of Rs. 603.20 million (2024: Rs. 401.12 million).

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2025

4.1.1 Depreciation charge for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in thousand)	
Cost of sales	23	91,581	90,324
Distribution costs	24	34,163	29,376
Administrative expenses	25	218,785	138,431
		344,529	258,131

4.1.2 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 (Freehold Land)	90.5
Plot No. 20, Industrial Estate, Near Mill No, 4, Multan	Marketing Centre (Leasehold Land)	10
10 KM Sheikhupura Road Lahore	Registered Office (Freehold Land)	1.86
Tractor House, 102-B, 16th East Street, DHA Phase I, Off. Korangi Road, Karachi	Corporate Office (Leasehold Land)	0.18

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

4.1.4 Following property, plant and equipment, having net book value in excess of five hundred thousand rupees or more were disposed off:

Particular	Original Cost	Accumulated Depreciation	Book Value	Sales Proceeds	Gain on Disposal	Mode of Disposal	Particulars of Buyers	Relationship with buyer
	Rupees in thousand							
Hyundai Sonata 2.0 Silver	9,009	4,204	4,805	6,596	1,791	as per policy	Irtaza Waseem Khan	Employee
KIA Sportage	7,258	5,141	2,117	2,171	54	as per policy	Muhammad Kaleem Ullah	Employee

4.2 Capital Work-In-Progress

	2025				2024			
	Balance as at January 1, 2025	Additions	Transfers to operating assets and intangibles (Note 4.2.1)	Balance as at December 31, 2025	Balance as at January 1, 2024	Additions	Transfers to operating assets	Balance as at December 31, 2024
	Rupees in thousand							
Civil works	10,993	3,558	(1,257)	13,294	10,297	5,809	(5,113)	10,993
Computer Hardware	-	-	-	-	5,000	238,946	(243,946)	-
Softwares	-	175,381	(175,381)	-	159,338	411,550	(570,888)	-
Plant and machinery	25,034	414,613	(6,430)	433,217	-	65,649	(40,615)	25,034
Furniture, fixtures and office equipment*	10,711	-	(10,711)	-	-	21,277	(10,566)	10,711
Vehicles	5,005	-	(5,005)	-	-	44,448	(39,443)	5,005
Advances to suppliers**	53,506	-	(46,192)	7,314	52,119	100,878	(99,491)	53,506
Total	105,249	593,552	(244,976)	453,825	226,754	888,557	(1,010,062)	105,249

* This includes amount pertaining to Site assessment service which was expensed out during the year.

** This includes amount that were transferred to CWIP - plant and machinery during the year.

4.2.1 These include expenditure amounting to Rs. 175.38 million (2024: Rs. 411.55 million) incurred for the purposes of implementation of SAP S/4 HANA cloud system.

	Note	2025	2024
		(Rupees in thousand)	
5. INTANGIBLE ASSETS			
Softwares			
Net carrying value basis			
Opening net book value		451,160	495
Transfer from capital work-in-progress	4.2.1	175,381	570,888
Additions		-	9,176
Amortisation	25	(70,694)	(129,399)
Closing net book value		555,847	451,160
Gross carrying value basis			
Cost		773,114	597,733
Accumulated amortisation		(217,267)	(146,573)
Net book value		555,847	451,160

Notes to and Forming Part of the Financial Statements
For the year ended December 31, 2025

6. DEFERRED TAX ASSET

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

	2025			2024		
	Balance as at January 01	Recognised in profit or loss (Note 30)	Balance as at December 31	Balance as at January 01	Recognised in profit or loss (Note 30)	Balance as at December 31
	Rupees in thousand					
(Taxable) / deductible temporary differences						
- accelerated tax depreciation allowances	(185,750)	12,371	(173,379)	(162,930)	(22,820)	(185,750)
- deferred staff benefits - compensated absences	39,800	26,887	66,687	40,232	(432)	39,800
- provision for slow moving inventories	56,153	17,948	74,101	98,389	(42,236)	56,153
- provision for doubtful receivables	53,830	38,021	91,851	4,592	49,238	53,830
- provision for sales tax	24,950	-	24,950	24,950	-	24,950
- provision others	1,965	9,660	11,625	40,586	(38,621)	1,965
- provision warranty	18,268	10,233	28,501	10,032	8,236	18,268
- provision for special excise duty	51,732	-	51,732	51,732	-	51,732
- lease liabilities	18,103	(5,827)	12,276	22,389	(4,286)	18,103
	79,051	109,293	188,344	129,972	(50,921)	79,051

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%.

6.3 Deferred tax asset has been recognised in full as per future financial projections of the Company.

	Note	2025	2024
		(Rupees in thousand)	
7. INVENTORIES			
Raw materials and components – including in transit Rs. 639.66 million (2024: Rs. 532.44 million)		4,419,385	4,803,818
Less: Provision for obsolescence	7.1	(172,028)	(130,010)
		4,247,357	4,673,808
Work-in-process		160,536	341,981
Stores and spares		116,046	165,941
Less: Provision for obsolescence	7.1	(13,585)	(13,585)
		102,461	152,356
Finished goods – tractors and implements	7.2	1,349,027	535,641
Less: Provision for obsolescence	7.1	(4,390)	(387)
		1,344,637	535,254
Trading stock – spare parts		48,084	60,934
		5,903,075	5,764,333

7.1 Provision for obsolescence

	2025	2024
(i) Raw material		
Balance as at January 1	130,010	367,524
Charge / (Reversal) for the year	85,888	(210,781)
	215,898	156,743
Written-off during the year	(43,870)	(26,733)
Balance as at December 31	172,028	130,010
(ii) Stores and spares		
Balance as at January 1	13,585	14,346
Written-off during the year	-	(761)
Balance as at December 31	13,585	13,585
(iii) Finished goods		
Balance as at January 1	387	-
Charge for the year	4,003	387
Balance as at December 31	4,390	387

7.2 The amount includes finished goods of Rs. 449.87 million (2024: Rs. Nil million) held by third parties.

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For the year ended December 31, 2025

	Note	2025	2024
		(Rupees in thousand)	
8. TRADE RECEIVABLES			
Unsecured	8.1	2,992,096	5,190,077
Less: Provision against doubtful receivables	8.2	(235,514)	(138,026)
		2,756,582	5,052,051

8.1 This includes Rs. 1,042 million (2024: Rs. 3,419 million) subsidy receivable from Government of Punjab under the Green Tractor Program. The age analysis of trade receivables is as follows:

	2025				2024	
	Subsidy receivable	Other trade receivables	Total	Provision for doubtful receivables	Total	Provision for doubtful receivables
	Rupees in thousand					
Not yet due	-	1,213,600	1,213,600	28,326	1,091,566	17,633
1 to 30 days	783,000	127,987	910,987	15,912	1,962,530	9,607
31-180 days	259,000	525,131	784,131	156,615	2,135,981	110,786
181-365 days	6,354	63,670	70,024	28,652	-	
Over 365 days	-	13,354	13,354	6,009	-	
	1,048,354	1,943,742	2,992,096	235,514	5,190,077	138,026

	Note	2025	2024
		(Rupees in thousand)	
8.2 Provision for doubtful receivables			
Balance as at January 1		138,026	11,776
Provision made during the year		97,488	126,250
Balance as at December 31		235,514	138,026
9. LOANS AND ADVANCES – considered good			
Loans and advances to employees	9.1	29,107	42,877
Advances to suppliers for goods and services		437,132	941,811
		466,239	984,688

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	2025	2024
		(Rupees in thousand)	
10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Prepayments	10.1	64,583	105,775
Other deposits	10.2	22,880	1,681
		87,463	107,456

10.1 This includes prepayment of subscriptions amounting to Rs. 43.77 million (2024: Rs. 45.10 million) in respect of cloud and related services.

10.2 These deposits do not carry any mark-up.

	Note	2025 (Rupees in thousand)	2024
11. OTHER RECEIVABLES			
Tax withheld by customers		15,902	47,736
Others	11.1	14,962	1,591
		30,864	49,327

11.1 This includes amount relating to warranty claims receivable from various vendors amounting to Rs. 14.56 million (2024: 1.19 million).

	Note	2025 (Rupees in thousand)	2024
12. REFUNDS DUE FROM THE GOVERNMENT			
Sales tax refundable	12.1	4,536,925	4,536,925
Less: Provision for sales tax		(63,975)	(63,975)
		4,472,950	4,472,950
Sales tax - net		732,882	599,527
Special excise duty	12.2	-	-
		5,205,832	5,072,477

12.1 This balance represents sales tax refund claims accumulated since July 2019. The Company has submitted refund applications through the Refund Claim Preparation System (RCPS) of the Federal Board of Revenue (FBR). However, the processing of these refunds under the Sales Tax Automated Refund Repository (STARR) and the issuance of Refund Payment Orders (RPOs) remain pending at the FBR's end.The refund claims have been filed in accordance with the Agricultural Tractor Refund Rules prescribed under SRO 363(I)/2012 and SRO 563(I)/2022. The Company challenged the retrospective application of amendments introduced through SRO 563(I)/2022 before the Honourable Sindh High Court (SHC). The SHC directed the Company to pursue the matter with the FBR. Subsequently, the Company filed an appeal before the Honourable Supreme Court (HSC) of Pakistan, which issued an interim order dated March 19, 2025, affirming that SRO 563(I)/2022 shall apply prospectively. The case has since been transferred to the Federal Constitution Court for further proceedings.Based on the underlying facts and legal advice obtained, management is confident that the Company's sales tax refund claims are legitimate and will be realized in full in due course.

Further, last year, the Company received an order from the Federal Tax Ombudsman (FTO) directing the tax authorities to verify the Company's compliance with applicable fiscal laws in relation to its outstanding sales tax refund claims. Pursuant to this order, the tax authorities issued show cause notices under Section 11E(1) and Section 38 of the Sales Tax Act, 1990. The Company challenged the FTO's order before the Honourable President of Pakistan. The Honourable President modified the order by directing the Federal Board of Revenue (FBR) to ensure that, in implementing the FTO's directions, no injustice is caused to the Company and that the Company's position in matters pending before the Honourable Supreme Court remains unaffected. Subsequently, the Company filed a petition before the Islamabad High Court (IHC) challenging both the presidential order and the FTO's order. Through an interim order dated March 20, 2025, the IHC suspended both orders and restrained the relevant authorities from applying SRO 563(I)/2022 retrospectively until the next hearing. Based on the underlying facts and legal advice obtained, management believes that there are no grounds that could result in any adverse outcome for the Company.

	2025 (Rupees in thousand)	2024
12.2 Special excise duty	132,647	132,647
Provision	(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 132.65 million has been created against balance for special excise duty.

	Note	2025 (Rupees in thousand)	2024
13. CASH AND BANK BALANCES			
With banks in			
Conventional			
- Current accounts		192,468	190,845
- Savings and deposit accounts	13.1	123,509	531,655
Islamic			
- Current accounts		94,316	44,906
- Savings and deposit accounts	13.1	1,038,254	23,339
Cash in hand		277	1,526
Demand drafts in hand		-	183,819
		1,448,824	976,090

13.1 During the year, the mark-up / profit rates on savings and deposit accounts range from 2.54% to 13.50% per annum (2024: 5.50% to 20.50% per annum).

	2025	2024
	(Rupees in thousand)	
14. SHARE CAPITAL		
14.1 Authorised share capital		
120,000,000 ordinary shares of Rs. 5 each (2024: 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	Ordinary shares of Rs. 5 each 2025		2025 (Rupees in thousand)	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, 2025, 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 (2024: 28,992,705) and 43.17%, i.e., 25,022,379 (2024: 25,022,379) shares of Rs. 5 each respectively.

	2025	2024
	(Rupees in thousand)	
15. LEASE LIABILITY		
Balance as at January 1	46,419	57,408
Unwinding of finance cost	6,322	8,342
Lease rentals paid	(21,265)	(19,331)
Balance as at December 31	31,476	46,419
Current portion	19,779	14,943
Non-current portion	11,697	31,476
	31,476	46,419

Notes to and
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15.1 Maturity analysis of lease liabilities

	2025	2024
	(Rupees in thousand)	
Upto 1 year	23,391	14,943
1 - 5 years	12,253	31,476
	35,644	46,419

15.2 Finance charge at rate of 17.06% (2024: 17.06%) per annum has been used for discounting factor.

	Note	2025	2024
		(Rupees in thousand)	
16. TRADE AND OTHER PAYABLES			
Creditors	16.1	903,894	815,987
Bills payable to foreign supplier		58,987	25,612
Payable to associated company			
- Al Futtaim Logistics		165,004	164,697
- Al Futtaim Automotive		129,591	-
- Al Futtaim Private Company LLC EIT		187,671	-
Accrued liabilities	16.2	2,598,458	3,027,528
Deposits	16.3	77,273	81,874
Taxes deducted at source		126,943	60,903
Workers' Welfare Fund	16.4	55,145	119,927
Workers' Profit Participation Fund	16.5	46,028	15,790
Royalty payable to CNH Industrial N.V. - associated company		478,860	833,503
Accrued markup	16.6	33,844	161,838
Others		33,865	29,164
		4,895,563	5,336,823

16.1 These include amount payable to a related party, CNH Industrial N.V., amounting to Rs. 11.04 million (2024: Rs. 10.73 million) against purchases made in 2019 and 2021.

16.2 These include liabilities amounting to Rs. 334.81 million (2024: Rs. 532.44 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.

	2025	2024
	(Rupees in thousand)	
16.4 Workers' Welfare Fund		
Balance as at January 1	119,927	106,231
Allocation for the year	53,943	116,260
	173,870	222,491
Less: Amount paid during the year	(118,725)	(102,564)
Balance as at December 31	55,145	119,927

	2025	2024
	(Rupees in thousand)	
16.5 Workers' Profit Participation Fund		
Balance as at January 1	15,790	11,864
Allocation for the year	117,397	306,636
Interest	1,831	1,782
	135,018	320,282
Less: Amount paid during the year	(88,990)	(304,492)
Balance as at December 31	46,028	15,790
16.6 Accrued markup		
- Conventional	7,959	36,818
- Islamic	25,885	125,020
	33,844	161,838
17. PROVISION FOR WARRANTY SERVICES		
Balance as at January 1	46,842	25,722
Expense recognised during the year	41,657	30,310
Claims against provision	(15,419)	(9,190)
Balance as at December 31	73,080	46,842

18. CONTRACT LIABILITIES

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. 465.16 million (2024: Rs. 115.74 million) out of the advance balance outstanding at beginning of the year.

19. UNPAID DIVIDEND

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

	2025	2024
	(Rupees in thousand)	
Al- Futtaim industries Companies LLC - Parent Company	1,331,522	1,331,522
CNH Industrial N.V - Associate Company	1,085,336	1,085,336
	2,416,858	2,416,858

	Note	2025	2024
		(Rupees in thousand)	
20. SHORT-TERM FINANCING - under mark up / profit arrangement			
Islamic Finances	20.1 & 20.3	-	2,429,291
Conventional Finances	20.2 & 20.3	-	-
		-	2,429,291

20.1 The facility for running musharkah available from banks amounted to Rs. 3,500 million (2024: Rs. 3,500 million) out of which the amount unavailed at the year end was Rs. 3500 million (2024: Rs. 1,070.71 million). Rates of profit ranges from one month KIBOR plus 0.25% (2024: one month KIBOR plus 0.4%) to three months KIBOR plus 0.25% (2024: three months KIBOR plus 0.25%) per annum.

20.2 The facility for running finance available from banks amounted to Rs. 2,000 million (2024: Rs. 2,000 million) out of which the amount unavailed at the year end was Rs. 2,000 million (2024: Rs. 2,000 million). Rates of mark-up ranges from one month KIBOR plus 0.25% (2024: one month KIBOR plus 0.25%) to three months KIBOR plus 1% (2024: three months KIBOR plus 1%) per annum.

20.3 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 (2024: Rs. 9,336 million).

21. CONTINGENCIES AND COMMITMENTS

21.1 In 2021, the Competition Commission of Pakistan ("CCP") initiated proceedings against the Company under Sections 3 and 4 of the Competition Act, 2010, issuing an Enquiry Report and multiple Show Cause Notices. The Company challenged these proceedings before the Islamabad High Court through Petition No. 3376 of 2021. On September 23, 2021, the Court granted interim relief restraining CCP from passing any adverse order against the Company during the pendency of the petition. Subsequently, by Order dated October 25, 2021, the Court clarified that it is implicit in the injunction that no final order shall be passed until the matter is decided. The petition was heard afresh and reserved for orders by the Islamabad High Court. Consequently, no financial impact can be determined or quantified at this stage. Based on the relevant facts, the management believes that there are no grounds which could result in any adverse order against it.

21.2 The Competition Commission of Pakistan (CCP) has passed an Order dated January 09, 2025 against the Company, imposing a penalty of Rs. 40 million allegedly for disseminating false and misleading information to the consumers related to the characteristics of their products and misleading comparison of goods in the process of advertising under section 10 (1) and (2) of the Competition Act, 2010 which restricts false advertising and deceptive marketing practices. In addition to the penalty mentioned above, the Company is also liable to pay Rs. 100,000 per day if the amount of penalty is not deposited by the Company within 30 days of the said Order.

The Company appealed against the Order before the Competition Appellate Tribunal, which, after hearing preliminary arguments, suspended the order on June 24, 2025 subject to furnishing of guarantee amounting to Rs. 10 million. Subsequently, the Competition Appellate Tribunal, vide order dated November 5, 2025, set aside the impugned order and remanded the matter to the CCP to be proceeded with afresh from the stage of issuance of the show cause notice, with directions to issue notice to the Agricultural Mechanization Research Institute of Punjab ("AMRI"), on the basis of whose report the Company had made the efficiency-related claims in the advertisement. The Tribunal further directed the CCP to refund the security amount of Rs. 10 million deposited by the Company. Based on the relevant facts, the management believes that there are no grounds which could result in any adverse order against the Company.

Commitments

21.3 Commitments for property, plant and equipment outstanding as at December 31, 2025, amounted to Rs. 40.17 million (2024: Rs. 521.23 million).

21.4 The facilities for opening letters of credit and guarantees as at December 31, 2025, amounted to Rs. 5,550 million (2024: Rs. 5,550 million) out of which unutilised balance at year end amounted to Rs. 4,915.39 million (2024: Rs. 4,527.51 million).

22. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2025			2024		
	Tractors	Trading goods and others	Total	Tractors	Trading goods and others	Total
	Rupees in thousand					
Local sales	23,760,427	374,115	24,134,542	37,174,912	291,012	37,465,924
Export sales	225,323	-	225,323	328,351	-	328,351
	23,985,750	374,115	24,359,865	37,503,263	291,012	37,794,275
Less:						
- Discounts, commissions and incentives	(1,076,988)	(3,591)	(1,080,579)	(1,016,337)	(7,819)	(1,024,156)
- Sales tax	(2,844,463)	(63,767)	(2,908,230)	(2,149,143)	(46,546)	(2,195,689)
	(3,921,451)	(67,358)	(3,988,809)	(3,165,480)	(54,365)	(3,219,845)
	20,064,299	306,757	20,371,056	34,337,783	236,647	34,574,430

22.1 Revenue from Tractors represents 98% (2024: 99%) of the total revenue of the Company.

22.2 The Company does not have any customer having sales of 10% or more during the year ended December 31, 2025.

22.3 Management considers that revenue from its ordinary activities are shariah compliant.

22.4 Net revenue from sale of tractors includes Rs. 10,972 million (2024: Rs. 8,047 million) pertaining to Punjab Government's Green Tractor Program and Wheat Incentive Program.

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	Note	2025	2024
		(Rupees in thousand)	
23. COST OF SALES			
Manufactured goods:			
Raw materials and components consumed		14,081,388	23,876,196
Salaries, wages and benefits		879,125	790,309
Charge for defined benefit plan		25,199	13,246
Charge for defined contribution plan		17,668	15,779
Stores and supplies		162,527	356,086
Royalty and technical fee		174,019	294,811
Insurance		4,283	3,908
Depreciation	4.1.1	91,581	90,324
Fuel, power and electricity		88,888	141,304
Inwards freight and transportation		20,424	16,844
Repairs and maintenance		35,767	143,230
Travelling, vehicle running and entertainment		46,594	46,309
Rent, rates and taxes		1,175	1,343
Communication		185	764
Printing and stationery		-	6,765
Others		2,818	939
Opening stock of work-in-process		341,981	122,732
Closing stock of work-in-process		(160,536)	(341,981)
Cost of goods manufactured		15,813,086	25,578,908
Opening stock of finished goods		535,254	945,811
Closing stock of finished goods		(1,344,637)	(535,254)
		15,003,703	25,989,465
Trading goods:			
Opening stock		60,934	28,650
Purchases		189,619	182,563
		250,553	211,213
Closing stock		(48,084)	(60,934)
		202,469	150,279
		15,206,172	26,139,744

23.1 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.

	Note	2025	2024
		(Rupees in thousand)	
24. DISTRIBUTION EXPENSES			
Salaries, wages and benefits		225,154	179,005
Charge for defined benefit plan		10,480	7,377
Charge for defined contribution plan		7,783	7,166
Insurance		5,474	4,219
Depreciation	4.1.1	34,163	29,376
Fuel, power and electricity		4,153	7,279
Travelling, vehicle running and entertainment		58,230	50,564
Repairs and maintenance		20,885	5,193
Rent, rates and taxes		3,717	3,203
Communication		3,867	5,053
Advertisement and promotion		93,350	182,162
After sales expense		57,746	87,300
Warranty expense		41,657	30,310
Freight charges		112,046	70,032
Legal and professional charges		10,307	3,128
Printing and stationery		2,592	1,900
Others		3,766	5,273
		695,370	678,540
25. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		532,477	410,027
Charge for defined benefit plan		26,512	11,998
Charge for defined contribution plan		18,551	15,594
Insurance		9,239	6,806
Depreciation	4.1.1	218,785	138,431
Amortisation	5	70,694	129,399
Fuel, power and electricity		20,924	19,804
Travelling, vehicle running and entertainment		74,515	69,217
Repairs and maintenance		38,701	17,796
Rent, rates and taxes		9,271	8,495
Fees and subscription	25.1 & 25.2	680,370	508,319
Communication		7,854	8,856
Auditors' remuneration	25.3	6,998	8,588
Advertising		-	1,291
Transformation charges	25.4	39,887	50,113
Legal and professional charges		63,674	46,062
Printing and stationery		13,882	12,531
Donation		210	3,194
		1,832,544	1,466,521

25.1 This includes fee paid to directors amounting Rs. 6.19 million (2024: Rs. 7.91 million).

25.2 This includes subscription paid in respect of cloud and related services amounting to Rs. 314.61 million (2024: Rs. 300.08 million).

	2025	2024
	(Rupees in thousand)	
25.3 Auditors' remuneration		
Audit fee	3,479	3,163
Fee for limited review of half yearly financial statements	806	575
Certification for compliance with Code of Corporate Governance, certifications for government and other agencies and other services	2,365	2,150
Out of pocket expenses	348	2,700
	6,998	8,588

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

	Note	2025	2024
		(Rupees in thousand)	
26. OTHER INCOME			
Income from financial assets			
Return on savings and deposit accounts		34,958	82,305
Income from other assets			
Scrap sales		62,529	76,296
Profit on disposal of property, plant and equipment		16,043	10,464
Exchange gain		1,685	14,558
Liabilities no longer payable written back		-	130,639
Surcharge on delayed payments		71,816	-
Others		-	1,368
		152,073	233,325
		187,031	315,630
27. OTHER EXPENSES			
Workers' Profit Participation Fund	16.5	117,397	306,636
Workers' Welfare Fund	16.4	53,943	116,260
Provision / (Reversal) against slow moving and obsolete inventories		89,891	(99,366)
		261,231	323,530
28. FINANCE COSTS			
Bank charges and commission		5,563	3,816
Mark up on Islamic financing		264,087	354,868
Mark up on running finance		10,882	77,967
Finance charges on finance lease		6,322	8,342
Interest on Workers' Profit Participation Fund		1,831	1,782
		288,685	446,775

	Note	2025 (Rupees in thousand)	2024
29. LEVY			
Final tax u/s 154	29.1	-	2,226

29.1 This represents final tax paid under section 154 of the Income Tax Ordinance, 2001.

	2025 (Rupees in thousand)	2024
30. INCOME TAX EXPENSE		
Current		
- for the year	985,077	2,102,913
- prior year charge	-	10,365
Deferred	(109,293)	50,921
	875,784	2,164,199

30.1 Relationship between tax expense and accounting profit:

	2025 (Percentage)	2024	2025 (Rupees in thousand)	2024
Accounting profit before tax			2,176,597	5,706,474
Tax at applicable rate	29.00%	29.00%	631,213	1,654,877
Effect of final tax on exports	0.00 %	(0.22)%	-	(12,377)
Prior year charge	0.00 %	0.18 %	-	10,365
Tax effect on permanent differences	1.24 %	(1.04)%	26,911	(59,401)
Super tax				
- Current year	10.00%	10.00%	217,660	570,870
Others	0.00%	(0.00)%	-	(135)
	40%	38%	875,784	2,164,199
Effective rate (percentage)			40%	38%

		2025	2024
31. EARNINGS PER SHARE - Basic and diluted			
Profit after taxation attributable to ordinary shareholders	(Rupees in thousand)	1,300,813	3,542,275
Weighted average number of shares in issue during the year	(in thousand)	57,964	57,964
Basic and diluted earnings per share	(Rupees)	22.44	61.11

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31.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2025 and 2024 which would have any effect on the earnings per share if the option to convert was exercised.

	Note	2025 (Rupees in thousand)	2024
32. CASH GENERATED FROM OPERATIONS			
Profit before taxation		2,176,597	5,706,474
Add / (less): Adjustment for non-cash charges and other items			
Depreciation and amortisation		415,223	387,530
Retirement benefits charge		62,191	32,621
Provision against doubtful receivables		97,488	126,250
Mark up on short-term financing		274,969	432,835
Interest on lease liability		6,322	8,342
Gain on disposal of Property, plant and equipment		(16,043)	(10,464)
Return on bank deposits		(34,958)	(82,305)
Provision / (reversal) against slow moving and obsolete inventories		89,891	(99,366)
Levy - final tax		-	2,226
Interest on Workers' Profit Participation Fund		1,831	1,782
Liabilities no longer payable written back		-	(130,639)
		3,073,511	6,375,286
Effect on cash flow due to working capital changes			
(Increase) / decrease in current assets			
Inventories		(228,633)	419,532
Trade receivables		2,197,981	(5,178,301)
Loans and advances		518,449	(888,973)
Trade deposits and short-term prepayments		19,993	217,392
Other receivables		18,463	(49,126)
Refunds due from the Government		(133,355)	(862,024)
		2,392,898	(6,341,500)
Increase in current liabilities			
Trade and other payables		(284,859)	1,546,405
Customers' advances		59,644	359,280
		2,167,683	(4,435,815)
Cash generated from operations		5,241,194	1,939,471
33. CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	1,448,824	976,090

34. EMPLOYEE BENEFIT OBLIGATIONS / PREPAYMENTS

34.1 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, 2025.

34.2 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.

34.3 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.

34.4 The latest actuarial valuation of the Plan as at December 31, 2025 was carried out using the Projected Unit Credit Method. Details of the Plan as per the actuarial valuation are as follows:

	2025	2024
	(Rupees in thousand)	
34.5 Movement in present value of defined benefit obligation		
Obligation as at January 1	429,725	325,566
Current service cost	63,639	47,113
Interest expense	47,898	41,865
Remeasurement (gain) / loss on obligation	(57,031)	93,336
Curtailment / settlement loss	(8,286)	-
Benefits paid	(57,587)	(78,155)
Obligation as at December 31	418,358	429,725

	2025	2024
	(Rupees in thousand)	
34.6 Movement in the fair value of plan assets		
Fair value as at January 1	370,962	357,605
Interest income	41,060	56,357
Remeasurement on plan assets	(20,019)	(32,251)
Employer contributions	-	67,406
Benefits paid	(57,587)	(78,155)
Fair value as at December 31	334,416	370,962
34.7 Expense recognised in statement of profit or loss		
Current service cost	63,639	47,113
Interest expense / (income) - net	6,838	(14,492)
Curtailment / Settlement gain	(8,286)	-
	62,191	32,621
34.8 Remeasurement recognised in other comprehensive income		
Remeasurement gain / (loss) of obligation	57,031	(93,336)
Remeasurement (loss) of fair value of plan assets	(20,019)	(32,251)
Remeasurements (loss) / gain	37,012	(125,587)
34.9 Net recognised liability / (asset)		
Balance as at January 1	58,763	(32,039)
Expense for the year	62,191	32,621
Employer contributions	-	(67,406)
Remeasurement recognised in other comprehensive income	(37,012)	125,587
Balance as at December 31	83,942	58,763

34.10 Composition of plan assets:

	2025		2024	
	Rupees in thousand	%	Rupees in thousand	%
	(Rupees in thousand)			
Cash at bank	334,416	100.00%	239,291	64.51%
Mutual Funds	-	-	131,671	35.49%
	334,416	100.00%	370,962	100.00%

	2025	2024
34.11 Actuarial assumptions		
Expected rate of increase in salaries		
- Management staff		
- Short-term - 1 year	12.00%	17.00%
- Long-term - more than 1 year	12.00%	14.00%
- Non-management staff		
- Short-term - 1 year	12.00%	17.00%
- Long-term - more than 1 year	12.00%	14.00%
Discount factor used	11.00%	12.00%

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

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

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

34.15 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
		(Rupees in thousand)	
Discount rate at December 31	1%	(18,697)	20,897
Future salary increases	1%	22,431	(20,456)

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.

34.16 Historical information

	2025	2024	2023	2022	2021
	Rupees in thousand				
As at December 31					
Present value of					
defined benefit obligation	418,358	429,725	325,566	302,263	247,409
Fair value of plan assets	(334,416)	(370,962)	(357,605)	(275,493)	(255,890)
Deficit / (surplus)	83,942	58,763	(32,039)	26,770	(8,481)
Experience adjustments					
Gain / (loss) on obligation	57,031	(93,336)	48,980	(30,226)	(21,596)
Loss on plan assets	(20,019)	(32,251)	(12,612)	(9,145)	(11,267)
	37,012	(125,587)	36,368	(39,371)	(32,863)

34.17 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.

34.18 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. 42.16 million towards gratuity fund in 2026 (2024: Rs. 47.65 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.

34.19 The weighted average duration of employees is 4.81 years (2024: 4.87 years).

34.20 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					
At December 31, 2025	124,692	34,632	156,821	167,346	422,241	905,732
At December 31, 2024	112,089	76,383	156,867	197,322	514,621	1,057,282

35. RELATED PARTY TRANSACTIONS

Nature of relationship	Nature of transactions	2025 (Rupees in thousand)	2024
CNH Industrial N.V.	Royalty paid	466,983	71,120
	Royalty charge	150,116	257,184
Al Futtaim Private Company LLC EIT	Services rendered	12,861	-
	Intangible asset purchased	174,876	-
AL Futtaim Automotive	Reimbursement of expenses	180,666	-
Other related parties			
- Al-Ghazi Tractors Limited Staff Provident Fund	Contribution paid	43,917	38,459
- Al-Ghazi Tractors Limited Employees' Gratuity Fund	Contribution paid	-	67,406
- Key management personnel	Salaries and other employee benefits	271,208	281,012
	Retirement benefits	38,774	30,903

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

The outstanding balances of related parties as at December 31, 2025 are included in trade and other payables and unpaid dividend. These are settled in the ordinary course of business.

35.2 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%
3.	Al-Futtaim Private Company LLC EIT	Associate	0.00%
4.	Al-Futtaim Automotive	Associate	0.00%

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

35.2.2 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, 2025

36. 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	
	2025	2024	2025	2024	2025	2024
	Rupees in thousand					
Managerial remuneration	1,835	1,815	-	-	395,226	430,800
Bonus	-	-	-	-	40,605	17,507
House rent	-	-	-	-	140,293	145,943
Utilities	-	-	-	-	30,981	32,726
Retirement benefits	-	-	-	-	83,923	76,878
Leave passage	-	-	-	-	36,079	44,382
	1,835	1,815	-	-	727,107	748,236
Number of persons	1	1	-	-	90	87

- 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. 6.19 million (2024: Rs. 7.91 million).
- During the year, Mr. Paul Terence Wagstaff, had been appointed as Non - Executive Director of the Company with effect from May 26, 2025, in place of Mr. Malik Ehtisham Ikram to fill the casual vacancy for the remainder term of the Board.

37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

37.1 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.

36.2 Financial assets and liabilities by category and their respective maturities

	Interest / mark-up bearing			Non interest bearing			
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	Total
	Rupees in thousand						
AT DECEMBER 31, 2025							
FINANCIAL ASSETS							
At amortised cost							
Loans and advances	-	-	-	29,107	11,094	40,201	40,201
Deposits	-	-	-	22,880	12,565	35,445	35,445
Interest accrued	-	-	-	10,882	-	10,882	10,882
Trade receivables	-	-	-	2,756,582	-	2,756,582	2,756,582
Other receivables	-	-	-	30,864	-	30,864	30,864
Cash and bank balances	1,161,763	-	1,161,763	287,061	-	287,061	1,448,824
	1,161,763	-	1,161,763	3,137,376	23,659	3,161,035	4,322,798
FINANCIAL LIABILITIES							
At amortised cost							
Trade and other payables	-	-	-	4,667,447	-	4,667,447	4,667,447
Unclaimed dividend	-	-	-	58,737	-	58,737	58,737
Short-term borrowings	-	-	-	-	-	-	-
Lease liability	19,779	11,697	31,476	-	-	-	31,476
Unpaid dividend	-	-	-	2,416,858	-	2,416,858	2,416,858
	19,779	11,697	31,476	7,143,042	-	7,143,042	7,174,518
AT DECEMBER 31, 2024							
FINANCIAL ASSETS							
At amortised cost							
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
FINANCIAL LIABILITIES							
At amortised cost							
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

Off balance sheet items	
Financial commitments:	
Contracts for capital expenditure	40,171
Letters of credit and guarantee	634,613
2025	674,784
2024	1,544,720

Notes to and
Forming Part of the Financial Statements
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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. 4,322.79 million (2024: Rs. 6,138.59 million) the financial assets exposed to the credit risk amount to Rs. 4,322.52 million (2024: Rs. 5,953.24 million) which mainly comprise of trade receivables and balances with banks.

The Company places surplus funds with various reputed banks. The Company monitors its exposure to a single bank its ratings on continuous basis.Following are the credit ratings of Banks with which balances are held or credit lines available:

Bank	Rating Agency	Rating: Short-term	Rating: Long-term
Askari Bank Limited	PACRA	A1+	AA+
Bank Al Habib Limited	PACRA	A1+	AAA
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	VIS	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Sindh Bank Limited	VIS	A1+	AA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
The Bank of Punjab	PACRA	A1+	AA+
Zarai Taraqiati Bank Limited	VIS	A1+	AAA

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 participated in the Green tractor program and Wheat Incentive program, under which the Government provided financial assistance for customer purchases. For sales under the Green Tractor program, the Government contributed a fixed subsidy of Rs. 1 million per unit toward the purchase price. Under the Wheat Incentive program, the Government subsidized the full cost of the tractors. As of December 31, 2025, out of the total trade receivables of Rs. 2,992.10 million the trade receivables exposed to the credit risk amounting to Rs. 1,943.74 million relates to independent customers and Rs. 1,048.35 million relates to receivables from the Government of Punjab.

The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtains security / advance payments, wherever considered necessary). Moreover, the Company considered its customers highly credit worthiness.

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

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.

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

	2025				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
	Rupees in thousand				
Financial liabilities					
Trade and other payables	4,667,447	(4,667,447)	(4,667,447)	-	-
Unclaimed dividend	58,737	(58,737)	(58,737)	-	-
Unpaid dividend	2,416,858	(2,416,858)	(2,416,858)	-	-
Lease liability	31,476	(35,644)	(11,139)	(12,252)	(12,253)
Short-term financing	-	-	-	-	-
	7,174,518	(7,178,686)	(7,154,181)	(12,252)	(12,253)

	2024				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years
	Rupees in thousand				
Financial liabilities					
Trade and other payables	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)

Notes to and Forming Part of the Financial Statements
For the year ended December 31, 2025

(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, 2025 trade and other payables exposed to foreign currency risk amount to Rs. 915.97 million (2024: Rs. 1,153.49 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. 36.64 million (2024: Rs. 46.14 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.

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, 2025, the Company's interest bearing financial liabilities of Rs. Nil (2024: Rs. 2,429.29 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. 5.30 million (2024: Rs. 18.74 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 it's management company.

There is no exposure to price risk as at December 31, 2025 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

	2025				
	Short-term borrowing including accrued mark-up thereon	Lease liability	Unclaimed dividend	Unpaid dividend	Total
	Rupees in thousand				
Balance as at January 1	2,591,129	46,419	60,918	2,416,858	5,115,324
Changes from financing cash flows:					
Changes in short-term borrowings	(2,429,291)	-	-	-	(2,429,291)
Dividend paid	-	-	(2,181)	-	(2,181)
Lease rentals paid	-	(21,265)	-	-	(21,265)
Total changes in financing activities	(2,429,291)	(21,265)	(2,181)	-	(2,452,737)
Other changes:					
Finance cost	274,969	6,322	-	-	281,291
Finance cost paid	(402,963)	-	-	-	(402,963)
Total other changes	(127,994)	6,322	-	-	(121,672)
Balance as at December 31	33,844	31,476	58,737	2,416,858	2,540,915

	2024				
	Short-term borrowing including accrued mark-up thereon	Lease liability	Unclaimed dividend	Unpaid dividend	Total
	Rupees in thousand				
Balance as at January 1	1,656,944	57,408	65,498	2,416,858	4,196,708
Changes from financing cash flows:					
Changes in short-term borrowings	780,638	-	-	-	780,638
Dividend paid	-	-	(4,580)	-	(4,580)
Lease rentals paid	-	(19,331)	-	-	(19,331)
Total changes in financing activities	780,638	(19,331)	(4,580)	-	756,727
Other changes:					
Finance cost	432,835	8,342	-	-	441,177
Finance cost paid	(279,288)	-	-	-	(279,288)
Total other changes	153,547	8,342	-	-	161,889
Balance as at December 31	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, 2025

(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, 2025, 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:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) 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).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity).
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market).

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

38. 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.

39. 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.

40. DISCLOSURES RELATING TO SHARIAH COMPLIANCE

	Note	2025	2024
		(Rupees in thousand)	
Disclosures in relation to the statement of financial position - Liability			
i) Short-term financing obtained as per islamic mode	20	-	2,429,291
ii) Mark-up accrued on conventional loan or advance	16.6	7,959	36,818
iii) Mark-up accrued on islamic loan or advance	16.6	25,885	125,020
Disclosures in relation to the statement of financial position - Assets			
i) Shariah-compliant bank balances	13	1,132,570	68,245
ii) Interest accrued - islamic	10,882	80	
Disclosures required in relation to the statement of profit of loss and other comprehensive income			
i) Revenue earned from a Shariah compliant business segment	22	20,371,056	34,574,430
ii) Profit earned from Shariah compliant bank balances	26	18,516	4,045
iii) Exchange gain / (loss) earned from actual currency	26	1,685	14,558
iv) Profit paid on Islamic mode of financing		363,221	238,139
Break-up of other income excluding profits in bank deposits and TDRs			
Shariah compliant income:			
- Profit on disposal of property, plant and equipment	26	16,043	10,464
- Scrap sales	26	62,529	76,296
- Liabilities no longer payable written back	26	-	130,639
- Others	26	-	1,368
Shariah non-compliant income:			
- Return on savings and deposit accounts	26	16,442	78,260

Notes to and Forming Part of the Financial Statements
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40.1 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 (2024: Rs.1,000 million) and Rs.2,000 million (2024: 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(2024:1,500 million), Rs. 1,000 million (2024:Rs. 1,000 million) and Rs. 150 million (Rs.150 million) respectively.

Takaful operators

The company has facilities with Jubilee Life Insurance Company Limited for health insurance and EFU General Insurance Limited for inventory and property, plant and equipment insurance.

	2025	2024
41. PLANT CAPACITY AND PRODUCTION		
Plant capacity (single shift) - units	30,000	30,000
Actual production - units	8,277	14,069

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

	2025	2024
42. NUMBER OF EMPLOYEES		
42.1 Number of employees including contractual employees at 31 December	392	413
42.2 Average number of employees including contractual employees during the year	386	418

43. 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.

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 17, 2026 by the Board of Directors. The directors have the power to amend and reissue the financial statements.

Director	Chief Executive Officer	Chief Financial Officer

11

Other Information

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
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;
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

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 value opening pressure: 150-170 kg/cm^2
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

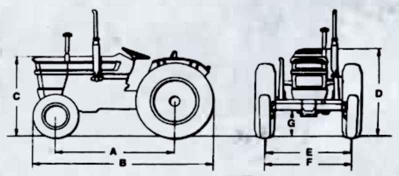
12 Volt starting system, 4hp (3kw) starter motor, 400 watts alternator,100 ah battery.

FRONT AXLE

Telescopic type,inverted U, variable track

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



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;
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

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 value opening pressure: 150-170 kg/cm^2
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.

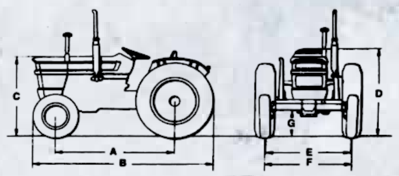
FRONT AXLE

Telescopic type,inverted U, variable track

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



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: 22.7ℓ /min
Reliefvalve opening pressure: 150-170kg/cm^2
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

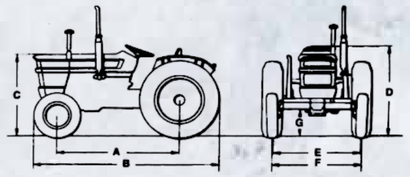
Fuel tank:	54 ℓ
Engine oil:	08 ℓ
Hydraulic Transmission:	18 ℓ
Rear Axle:	2+2 ℓ at both sided
Air Cleaner:	01 ℓ
Power Steering:	1.5 ℓ

BRAKES

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

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



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 ever for PTO).
Diameter of plates: 11inches
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. Synchromesh 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^2
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.

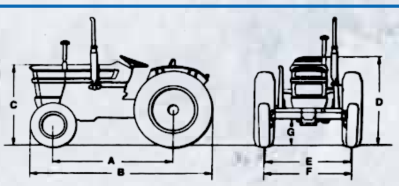
LIGHTING SYSTEM
3-position headlights (parking, low & high beam). Rear parking lights.
Blue high beam warning light on instrument panel and low oil pressure & battery charging light. Direction Indicators, Parking & Head lights.

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.

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



NH-850 ECO
SPECIFICATIONS

ENGINE

NO. OF CYLINDERS/ASPIRATION/VALVES	4/NATURAL ASPIRATED/2
CAPACITY (LTR)	3.9
COMPRESSION RATIO	17:1
RATED POWER @ 2500RPM (KW/HP)	62.5 / 85
MAX TORQUE @ 1600RPM (NM)	291

TRANSMISSION

TYPE	CONSTANT MESH
NO. OF SPEEDS	8 FORWARD 2 REVERSE
SPEEDS WITH 18.4/15-30 REAR TYRES	
MINIMUM SPEED / MAXIMUM SPEED (KM/H)	3.11 / 33.9 FORWARD , REVERSE 4.4/16

CLUTCH

TYPE	DUAL PLATE, DRY-TYPE WITH SEPARATE CONTROLS (PEDAL FOR TRANSMISSION AND HAND LEVER FOR PTO)
DIAMETER (IN)	11
LINING MATERIAL	CERAMIC

POWER TAKE OFF (PTO)

TYPE	MECHANICAL
ENGINE SPEED @ PTO 540RPM	2100
NO. OF SHAFT SPLINES	6

HYDRAULICS

FUNCTIONS	DRAFT CONTROL, POSITION CONTROL
PUMP TYPE	FIAT PUMP (GEAR DRIVEN)
MAXIMUM RATED OUTPUT	21.8 LTRS
PRESSURE	MAX 195BAR @ NORMAL OPERATING TEMPERATURE
MAXIMUM LIFT CAPACITY (CATII HORIZONTAL ARMS)	2626 KG (MANUFACTURERS ESTIMATE) WITHOUT LIFT-O-MATIC
LOWER LINKS	STANDARD 3-POINT, CAT 1 & CAT 2

LIFT-O-MATIC (OPTIONAL)

FUNCTIONS	DRAFT CONTROL, POSITION CONTROL, FLOAT CONTROL, PRECISION CONTROL
MAXIMUM REAR LOAD CAPACITY (CATII HORIZONTAL ARMS) REAR LOWER LINK.	2854 KG MAX (MANUFACTURERS ESTIMATE) 195BAR @ NORMAL OPERATING TEMPERATURE

STEERING

TYPE	HYDROSTATIC POWER STEERING

TOTAL WEIGHT WITH BALLAST FRONT AND REAR (KG)

2865

FRONT AXLE	INVERTED U, TELESCOPING, CENTRE PIVOTING
NO. OF TRACKS	6 ADJUSTABLE TRACKS 1412 TO 2012 MM

BRAKES

TYPE	
- SERVICE	OIL IMMERSED DISC BRAKES
- PARKING	SERVICE BRAKE UNITS ACTUATED BY HAND LEVER
CONTROL	
- SERVICE	MECHANICAL, LATCHED PEDAL
- PARKING	MECHANICAL, HAND LEVER

ELECTRICS

STARTER	4.7 HP (3.5KW)
BATTERY CAPACITY	12V, 110/120AH
ALTERNATOR	14V , 40A

INSTRUMENTATION

GAUGES	TACHOMETER, TEMPERATURE AND FUEL GUAGE
WARNING LIGHTS	
- BATTERY CHARGE	1 (RED)
- LOW ENGINE OIL PRESSURE	1 (RED)
- PARKING LIGHTS	1 (GREEN)
- HIGH BEAM	1 (BLUE)
- TRACTOR TURN SIGNAL	2 (GREEN)
MOBILE CHARGING PORT	1

TYRES

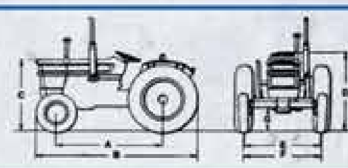
FRONT	7.50-16
REAR	18.4/15-30
CAPACITIES (LTRS)	
- FUEL TANK	65
- ENGINE OIL	11.5
- HYDRAULIC TRANSMISSION	29
- AIR CLEANER	1

OTHERS

ROPS
CANOPY
REAR VIEW MIRRORS
TOWING HOOK

DIMENSIONS

(With 7.50-16 and 18.4/15-30 tyres)
A. Wheelbase: 2,320 mm
B. Overall length: 3,950 mm
C. Height to top of hood: 1,480 mm
D. Height to steering wheel: 1,700 mm
E. Front track (8 positions): from 1,412 to 2,012 mm
F. Rear track (8 positions): from 1,412 to 2,012 mm
G. Ground clearance under front axle: 490 mm



NH-850 REGULAR
SPECIFICATIONS

ENGINE

NO. OF CYLINDERS/ASPIRATION/VALVES	4/NATURAL ASPIRATED/2
CAPACITY (LTR)	3.9
COMPRESSION RATIO	17:1
RATED POWER @ 2500RPM (KW/HP)	62.5 / 85
MAX TORQUE @ 1600RPM (NM)	291

TRANSMISSION

TYPE	CONSTANT MESH
NO. OF SPEEDS	8 FORWARD 2 REVERSE
SPEEDS WITH 18.4/15-30 REAR TYRES	
MINIMUM SPEED / MAXIMUM SPEED (KM/H)	3.11 / 33.9 FORWARD , REVERSE 4.4/16

CLUTCH

TYPE	DUAL PLATE, DRY-TYPE WITH SEPARATE CONTROLS (PEDAL FOR TRANSMISSION AND HAND LEVER FOR PTO)
DIAMETER (IN)	11
LINING MATERIAL	CERAMIC

POWER TAKE OFF (PTO)

TYPE	MECHANICAL
ENGINE SPEED @ PTO 540RPM	2160
NO. OF SHAFT SPLINES	6

HYDRAULICS

FUNCTIONS	DRAFT CONTROL, POSITION CONTROL
PUMP TYPE	FIAT PUMP (GEAR DRIVEN)
MAXIMUM RATED OUTPUT	21.8 LTRS
PRESSURE	MAX 195BAR @ NORMAL OPERATING TEMPERATURE
MAXIMUM LIFT CAPACITY (CATII HORIZONTAL ARMS)	2626 KG (MANUFACTURERS ESTIMATE) WITHOUT LIFT-O-MATIC
LOWER LINKS	STANDARD 3-POINT, CAT 1 & CAT 2

LIFT-O-MATIC (OPTIONAL)

FUNCTIONS	DRAFT CONTROL, POSITION CONTROL, FLOAT CONTROL, PRECISION CONTROL
MAXIMUM REAR LOAD CAPACITY (CATII HORIZONTAL ARMS) REAR LOWER LINK.	2854 KG MAX (MANUFACTURERS ESTIMATE) 195BAR @ NORMAL OPERATING TEMPERATURE

STEERING

TYPE	HYDROSTATIC POWER STEERING

TOTAL WEIGHT WITH BALLAST FRONT AND REAR (KG)

TOTAL WEIGHT WITH BALLAST FRONT AND REAR (KG)	2865
FRONT AXLE	INVERTED U, TELESCOPING, CENTRE PIVOTING
NO. OF TRACKS	6 ADJUSTABLE TRACKS 1412 TO 2012 MM

BRAKES

TYPE	
- SERVICE	OIL IMMERSED DISC BRAKES
- PARKING	SERVICE BRAKE UNITS ACTUATED BY HAND LEVER
CONTROL	
- SERVICE	MECHANICAL, LATCHED PEDAL
- PARKING	MECHANICAL, HAND LEVER

ELECTRICS

STARTER	4.7 HP (3.5KW)
BATTERY CAPACITY	12V, 110/120AH
ALTERNATOR	14V , 40A

INSTRUMENTATION

GAUGES	TACHOMETER, TEMPERATURE AND FUEL GUAGE
WARNING LIGHTS	
- BATTERY CHARGE	1 (RED)
- LOW ENGINE OIL PRESSURE	1 (RED)
- PARKING LIGHTS	1 (GREEN)
- HIGH BEAM	1 (BLUE)
- TRACTOR TURN SIGNAL	2 (GREEN)
MOBILE CHARGING PORT	1

TYRES

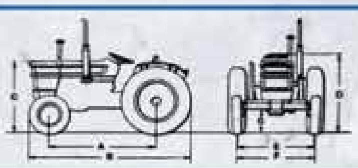
FRONT	7.50-16
REAR	18.4/15-30
CAPACITIES (LTRS)	
- FUEL TANK	65
- ENGINE OIL	11.5
- HYDRAULIC TRANSMISSION	29
- AIR CLEANER	1

OTHERS

ROPS
CANOPY
REAR VIEW MIRRORS
TOWING HOOK

DIMENSIONS

(With 7.50-16 and 18.4/15-30 tyres)
A. Wheelbase: 2,320 mm
B. Overall length: 3,950 mm
C. Height to top of hood: 1,480 mm
D. Height to steering wheel: 1,700 mm
E. Front track (8 positions): from 1,412 to 2,012 mm
F. Rear track (8 positions): from 1,412 to 2,012 mm
G. Ground clearance under front axle: 490 mm



NH-850 LIFT-O-MATIC ECO

SPECIFICATIONS

ENGINE

NO. OF CYLINDERS/ASPIRATION/VALVES	4/NATURAL ASPIRATED/2
CAPACITY (LTR)	3.9
COMPRESSION RATIO	17:1
RATED POWER @ 2500RPM (KW/HP)	62.5 / 85
MAX TORQUE @ 1600RPM (NM)	291

TRANSMISSION

TYPE	CONSTANT MESH
NO. OF SPEEDS	8 FORWARD 2 REVERSE
SPEEDS WITH 18.4/15-30 REAR TYRES	
MINIMUM SPEED / MAXIMUM SPEED (KM/H)	3.11 / 33.9 FORWARD , REVERSE 4.4/16

CLUTCH

TYPE	DUAL PLATE, DRY-TYPE WITH SEPARATE CONTROLS (PEDAL FOR TRANSMISSION AND HAND LEVER FOR PTO)
DIAMETER (IN)	11
LINING MATERIAL	CERAMIC

POWER TAKE OFF (PTO)

TYPE	MECHANICAL
ENGINE SPEED @ PTO 540RPM	2160
NO. OF SHAFT SPLINES	6

HYDRAULICS

FUNCTIONS	DRAFT CONTROL, POSITION CONTROL
PUMP TYPE	FIAT PUMP (GEAR DRIVEN)
MAXIMUM RATED OUTPUT	21.8 LTRS
PRESSURE	MAX 195BAR @ NORMAL OPERATING TEMPERATURE
MAXIMUM LIFT CAPACITY (CATII HORIZONTAL ARMS)	2626 KG (MANUFACTURERS ESTIMATE) WITHOUT LIFT-O-MATIC
LOWER LINKS	STANDARD 3-POINT, CAT 1 & CAT 2

LIFT-O-MATIC (OPTIONAL)

FUNCTIONS	DRAFT CONTROL, POSITION CONTROL, FLOAT CONTROL, PRECISION CONTROL
MAXIMUM REAR LOAD CAPACITY (CATII HORIZONTAL ARMS) REAR LOWER LINK.	2854 KG MAX (MANUFACTURERS ESTIMATE) 195BAR @ NORMAL OPERATING TEMPERATURE

STEERING

TYPE	HYDROSTATIC POWER STEERING

TOTAL WEIGHT WITH BALLAST FRONT AND REAR (KG)

2865

FRONT AXLE	INVERTED U, TELESCOPING, CENTRE PIVOTING
NO. OF TRACKS	6 ADJUSTABLE TRACKS 1412 TO 2012 MM

BRAKES

TYPE	
- SERVICE	OIL IMMERSED DISC BRAKES
- PARKING	SERVICE BRAKE UNITS ACTUATED BY HAND LEVER
CONTROL	
- SERVICE	MECHANICAL, LATCHED PEDAL
- PARKING	MECHANICAL, HAND LEVER

ELECTRICS

STARTER	4.7 HP (3.5KW)
BATTERY CAPACITY	12V, 110/120AH
ALTERNATOR	14V , 40A

INSTRUMENTATION

GAUGES	TACHOMETER, TEMPERATURE AND FUEL GUAGE
WARNING LIGHTS	
- BATTERY CHARGE	1 (RED)
- LOW ENGINE OIL PRESSURE	1 (RED)
- PARKING LIGHTS	1 (GREEN)
- HIGH BEAM	1 (BLUE)
- TRACTOR TURN SIGNAL	2 (GREEN)
MOBILE CHARGING PORT	1

TYRES

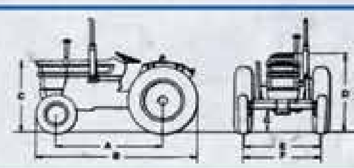
FRONT	7.50-16
REAR	18.4/15-30
CAPACITIES (LTRS)	
- FUEL TANK	65
- ENGINE OIL	11.5
- HYDRAULIC TRANSMISSION	29
- AIR CLEANER	1

OTHERS

ROPS
CANOPY
REAR VIEW MIRRORS
TOWING HOOK

DIMENSIONS

(With 7.50-16 and 18.4/15-30 tyres)
A. Wheelbase: 2,320 mm
B. Overall length: 3,950 mm
C. Height to top of hood: 1,480 mm
D. Height to steering wheel: 1,700 mm
E. Front track (8 positions): from 1,412 to 2,012 mm
F. Rear track (8 positions): from 1,412 to 2,012 mm
G. Ground clearance under front axle: 490 mm



NH-850 LIFT-O-MATIC
SPECIFICATIONS

ENGINE

NO. OF CYLINDERS/ASPIRATION/VALVES	4/NATURAL ASPIRATED/2
CAPACITY (LTR)	3.9
COMPRESSION RATIO	17:1
RATED POWER @ 2500RPM (KW/HP)	62.5 / 85
MAX TORQUE @ 1600RPM (NM)	291

TRANSMISSION

TYPE	CONSTANT MESH
NO. OF SPEEDS	8 FORWARD 2 REVERSE
SPEEDS WITH 18.4/15-30 REAR TYRES	
MINIMUM SPEED / MAXIMUM SPEED (KM/H)	3.11 / 33.9 FORWARD , REVERSE 4.4/16

CLUTCH

TYPE	DUAL PLATE, DRY-TYPE WITH SEPARATE CONTROLS (PEDAL FOR TRANSMISSION AND HAND LEVER FOR PTO)
DIAMETER (IN)	11
LINING MATERIAL	CERAMIC

POWER TAKE OFF (PTO)

TYPE	MECHANICAL
ENGINE SPEED @ PTO 540RPM	2160
NO. OF SHAFT SPLINES	6

HYDRAULICS

FUNCTIONS	DRAFT CONTROL, POSITION CONTROL
PUMP TYPE	FIAT PUMP (GEAR DRIVEN)
MAXIMUM RATED OUTPUT	21.8 LTRS
PRESSURE	MAX 195BAR @ NORMAL OPERATING TEMPERATURE
MAXIMUM LIFT CAPACITY (CATII HORIZONTAL ARMS)	2626 KG (MANUFACTURERS ESTIMATE) WITHOUT LIFT-O-MATIC
LOWER LINKS	STANDARD 3-POINT, CAT 1 & CAT 2

LIFT-O-MATIC (OPTIONAL)

FUNCTIONS	DRAFT CONTROL, POSITION CONTROL, FLOAT CONTROL, PRECISION CONTROL
MAXIMUM REAR LOAD CAPACITY (CATII HORIZONTAL ARMS) REAR LOWER LINK.	2854 KG MAX (MANUFACTURERS ESTIMATE) 195BAR @ NORMAL OPERATING TEMPERATURE

STEERING

TYPE	HYDROSTATIC POWER STEERING

TOTAL WEIGHT WITH BALLAST FRONT AND REAR (KG)

TOTAL WEIGHT WITH BALLAST FRONT AND REAR (KG)	2865
FRONT AXLE	INVERTED U, TELESCOPING, CENTRE PIVOTING
NO. OF TRACKS	6 ADJUSTABLE TRACKS 1412 TO 2012 MM

BRAKES

TYPE	
- SERVICE	OIL IMMERSED DISC BRAKES
- PARKING	SERVICE BRAKE UNITS ACTUATED BY HAND LEVER
CONTROL	
- SERVICE	MECHANICAL, LATCHED PEDAL
- PARKING	MECHANICAL, HAND LEVER

ELECTRICS

STARTER	4.7 HP (3.5KW)
BATTERY CAPACITY	12V, 110/120AH
ALTERNATOR	14V , 40A

INSTRUMENTATION

GAUGES	TACHOMETER, TEMPERATURE AND FUEL GUAGE
WARNING LIGHTS	
- BATTERY CHARGE	1 (RED)
- LOW ENGINE OIL PRESSURE	1 (RED)
- PARKING LIGHTS	1 (GREEN)
- HIGH BEAM	1 (BLUE)
- TRACTOR TURN SIGNAL	2 (GREEN)
MOBILE CHARGING PORT	1

TYRES

FRONT	7.50-16
REAR	18.4/15-30
CAPACITIES (LTRS)	
- FUEL TANK	65
- ENGINE OIL	11.5
- HYDRAULIC TRANSMISSION	29
- AIR CLEANER	1

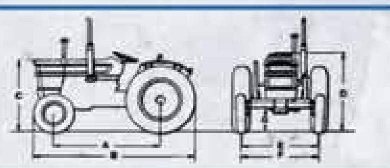
OTHERS

ROPS
CANOPY
REAR VIEW MIRRORS
TOWING HOOK

DIMENSIONS

(With 7.50-16 and 18.4/15-30 tyres)
A. Wheelbase: 2,320 mm
B. Overall length: 3,950 mm
C. Height to top of hood: 1,480 mm
D. Height to steering wheel: 1,700 mm

E. Front track (8 positions): from 1,412 to 2,012 mm
F. Rear track (8 positions): from 1,412 to 2,012 mm
G. Ground clearance under front axle: 490 mm



Notes

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
Al-Ghazi Tractors Limited
10-KM., Sheikhupura Road,
Lahore, Pakistan.

Comment/Query :

Name :

Permanent Mailing :

For the year ended December 31, 2025

Contact Number (Tel) :

(Fax) :

Email :

Name of Company :

Designation :

Company Address :

FAMCO SHARES REGISTRATION SERVICES (PVT) LTD. **Date:**
8-F, Near Hotel Faran, Nursery
Block 6, P.E.C.H.S.
Shahra-e-Faisal
Karachi.

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 **43rd Annual General Meeting of Al-Ghazi Tractors Limited** to be held on **Friday, April 24, 2026 at 3:00 PM at Pearl Continental Hotel, Lahore** as well as through video-link arrangement.

Signed on this ____________ day of ____________ , 2026 in the presence of:

Signature of member(s) across Revenue Stamp of appropriate value

1. Signature: ______________________

   Name: ______________________

   Address: ______________________

   ____

   ____

   CNIC or Passport No.: ______________________

2. Signature: ______________________

   Name: ______________________

   Address: ______________________

   ____

   ____

   CNIC or Passport No.: ______________________

Important:

1. A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him. No person shall act as proxy (except for a corporation) unless he is entitled to be present and vote in his own right.
2. The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If the member is a corporation, its common seal (if any) should be affixed to the instrument.
3. The proxies shall be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

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AFFIX
CORRECT
POSTAGE

The Company Secretary,
Al-Ghazi Tractors Limited
10-KM, Sheikhupura Road,
Lahore, Pakistan.

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الغازی ٹریکٹر لمیٹڈ

نمائندگی (پراکسی) کا فارم

میں / ہم ____________________ ساکن ____________________

بحیثیت ممبر (ز) الغازی ٹریکٹر لمیٹڈ اور حق ملکیت رکھتے ہوئے عمومی شیئرز __________ بمطابق رجسٹرڈ فولیو __________ یہاں __________

ساکن ____________________ کو اپنی جانب سے منتخب کرتا ہوں، یا ان کے نا جانے پر __________

ساکن ____________________ کو الغازی ٹریکٹرز لمیٹڈ کے 43 ویں سالانہ اجلاسِ عام میں میری / ہماری جگہ اور میری / ہماری طرف سے بروز جمعہ، 24 اپریل 2026 کو سہ پہر 3:00 بجے پرل کانٹی نینٹل ہوٹل، لاہور کے ساتھ ساتھ بذریعہ ویڈیو لنک انتظام سے ووٹ دینے کیلئے نمائندہ مقرر کرتا ہوں۔

بروز __________ کے دن __________ 2026 کو ان گواہان کی موجودگی میں دستخط کیے گئے:

مناسب مالیت کے ریونیو اسٹیمپ پر ممبر (ز) کے دستخط

1۔ دستخط: ____________________
نام: ____________________
پتہ: ____________________
____
____
قومی کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: __________

2۔ دستخط: ____________________
نام: ____________________
پتہ: ____________________
____
____
قومی کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: __________

قابلِ 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 پراکسی (نمائندہ) کا تقرر کر سکتا ہے۔ کوئی شخص بھی پراکسی کے طور پر (ماسوائے کارپوریشن) کام نہیں کر سکتا جب تک کہ وہ خود شرکت کرنے اور ووٹ دینے ک استحقاق نہ رکھتا ہو۔
2۔ پراکسی کی دستاویز پر ممبر یا اس کا اٹارنی جسے تحریری طور پر اسکی اجازت دی گئی ہو، دستخط کریں گے، اگر ممبر کوئی کارپوریشن ہے تو اسکی مشترکہ مہر (اگر کوئی ہو) اس دستاویز پر ثبت کی جائے گی۔
3۔ فارم کے کارآمد ہونے کے لئے یہ ضروری ہے کہ یہ پراکسی کمپنی کے رجسٹرڈ آفس میں اجلاس کے لئے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کرادیا جائے۔

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درست رقم کا ٹکٹ
چسپاں کریں

کمپنی سیکریٹری،
الغازی ٹریکٹرز لمیٹڈ
10-KM، شیخوپورہ روڈ، لاہور، پاکستان

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