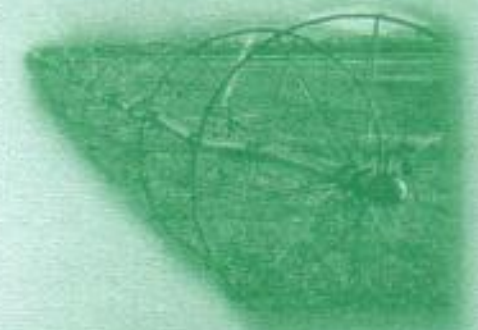


ENERGY EFFICIENT GENERATORS



FARM MACHINES & EQUIPMENT



SMART IRRIGATION SOLUTIONS



TRACTORS

Sustainable
Agriculture

First Quarterly Report
31 March 2014
(un audited)



AL-GHAZI TRACTORS LTD



to make AGTL a symbol of success

Mission

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

Corporate focus

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

AL-GHAZI TRACTORS LTD

CORPORATE INFORMATION

Board of Directors

Mr. Charles Leonard Hunt	Chairman
Mr. Parvez Ali	Chief Executive Officer & Managing Director
Mr. Nasir Mahmood	Director
Mr. Kashif Lawai	Director
Mr. Majd-ul-Ahsan Syed	Director
Ms. Giovanna Barbieri	Director
Mr. Stefano Pampalone	Director
Mr. Damiano Cretarola	Director
Ms. Sobika Zubair	Company Secretary

Bankers

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

Legal Advisors

Saiduddin & Co.
Karachi.

Registrar

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

Auditors

A.F.Ferguson & Co.
Chartered Accountants
Karachi

Tax Advisors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants Karachi.

Registered Office

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

Board Committees

Audit Committee

Mr. Nasir Mahmood - Chairman
Mr. Majd-ul-Ahsan Syed - Member
Mr. Damiano Cretarola - Member

Human Resource And Remuneration Committee

Mr. Charles Leonard Hunt - Chairman
Mr. Nasir Mahmood - Member
Ms. Giovanna Barbieri - Member



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AGTL



NEWHOLLAND

AL-GHAZI TRACTORS LIMITED

DIRECTORS' REPORT

While ambiguity and confusion on the issue of sales tax on tractors – its reduction or removal – seems to be clearing, the tractor industry calls for consistency in decision making. For over a year, the tractor industry has been in a state of spin thus stalling the momentum.

Only 1792 tractors were sold in the first quarter of the year 2014, thus keeping the plant capacity underutilized.

On sale of 1792 tractors, the company earned a pre-tax profit of Rs. 317.4 million – rather lackluster for a company used to declaring stellar results.

Company's announcement of the 500% cash dividend as well as 35% bonus issues for the year 2013, was well received by the market, with its five rupee share peaking to Rs. 336.

There are signs of tractor sales picking up in the second quarter – ZTBL has increased its disbursement of credit for tractors; the season for purchase of tractors has commenced.

Though many caveats remain, a slow turnaround of the tractor industry is eminent.

The Company's financial results have been recommended by the Audit Committee of the Board and will be placed on the Company's website at www.alghazitractors.com.

For and on behalf of
the Board

Charles Leonard Hunt
Chairman

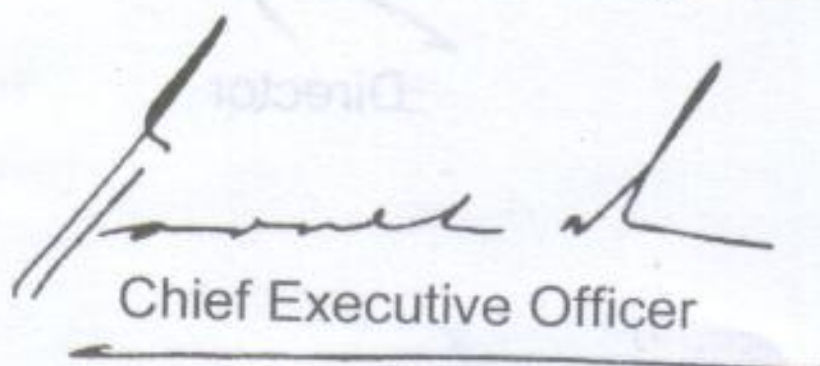
Karachi
April 22, 2014

AL-GHAZI TRACTORS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2014 (UN-AUDITED)

		(Unaudited) March 31, 2014	(Audited) December 31, 2013
(Rupees'000)			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	3	412,288	404,433
Long-term investments		42,800	44,800
Long-term loans		4,433	7,544
Long-term deposits		1,789	1,789
		<u>461,310</u>	<u>458,566</u>
CURRENT ASSETS			
Stores and spares		22,536	15,649
Stock-in-trade		1,795,714	1,693,249
Trade debts		74,588	166,306
Loans and advances		64,865	73,393
Short-term deposits and prepayments		9,658	1,450
Accrued mark-up		15,144	3,525
Other receivables		121	11,457
Taxation		52,663	30,669
Refunds due from the Government		1,780,362	1,709,416
Investments		3,222,064	3,354,256
Cash and bank balances		1,791,080	2,308,497
		<u>8,828,795</u>	<u>9,367,867</u>
TOTAL ASSETS		<u><u>9,290,105</u></u>	<u><u>9,826,433</u></u>
SHARE CAPITAL AND RESERVES			
Share capital		214,682	214,682
Reserves		7,595,054	8,004,277
		<u>7,809,736</u>	<u>8,218,959</u>
NON-CURRENT LIABILITIES			
Deferred staff benefits - compensated absences		29,756	31,656
Staff retirement benefit		1,611	1,177
Deferred taxation		40,525	36,747
		<u>71,892</u>	<u>69,580</u>
CURRENT LIABILITIES			
Trade and other payables		1,408,477	1,537,894
Commitments	4		
TOTAL EQUITY AND LIABILITIES		<u><u>9,290,105</u></u>	<u><u>9,826,433</u></u>

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


Chief Executive Officer

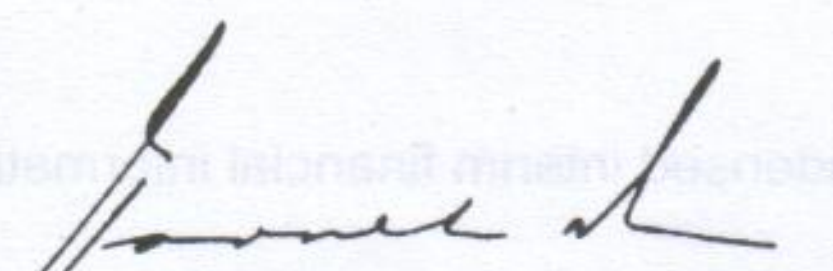

Director

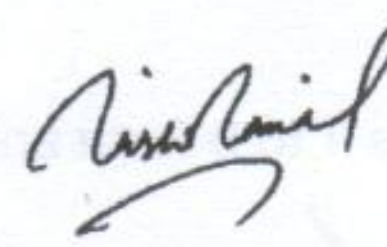
AL-GHAZI TRACTORS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE FIRST QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

	Note	Quarter ended	
		March, 31 2014	March, 31 2013
(Rupees' 000)			
Sales	5	1,251,187	1,507,561
Cost of goods sold	6	<u>(937,952)</u>	<u>(1,185,392)</u>
Gross profit		313,235	322,169
Distribution cost		(27,777)	(27,143)
Administrative expenses		<u>(47,815)</u>	<u>(40,342)</u>
Other income		237,643	254,684
Other operating expenses		<u>(23,524)</u>	<u>(24,923)</u>
		317,557	336,331
Finance cost		<u>(160)</u>	<u>(44)</u>
Profit before taxation		317,397	336,287
Taxation		<u>(82,573)</u>	<u>(108,106)</u>
Profit after taxation		234,824	228,181
Other comprehensive income		-	-
Total comprehensive income		<u>234,824</u>	<u>228,181</u>
Earnings per share-Basic and diluted		<u>5.47</u>	<u>5.31</u>

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


Chief Executive Officer

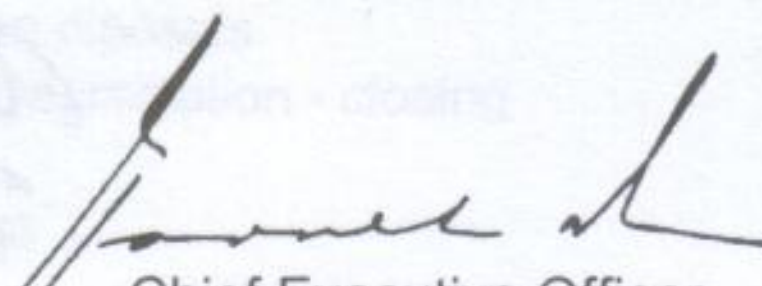

Director

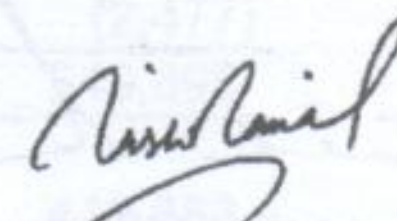
AL-GHAZI TRACTORS LIMITED

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)**

	Note	March 31, 2014	March 31, 2013
(Rupees'000)			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	7	(621,079)	(975,805)
Income taxes paid		(100,789)	(77,178)
Decrease in long-term loans		3,111	3,029
Decrease in deferred staff benefits		(1,900)	(1,587)
Increase in staff retirement benefits		434	-
Net cash used in operating activities		(720,223)	(1,051,541)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(18,421)	(8,096)
Proceeds from disposal of fixed assets		1,544	1,990
Sale / (Purchase) of investments - net		202,001	(499,001)
Placement in term deposits - net		-	1,200,000
Return on investments		17,854	245,643
Net cash from investing activities		202,978	940,536
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(172)	(1,035)
Net decrease in cash and cash equivalents		(517,417)	(112,040)
Cash and cash equivalents at the beginning of period		1,903,497	1,277,632
Cash and cash equivalents at the end of period		<u>1,386,080</u>	<u>1,165,592</u>

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


Chief Executive Officer

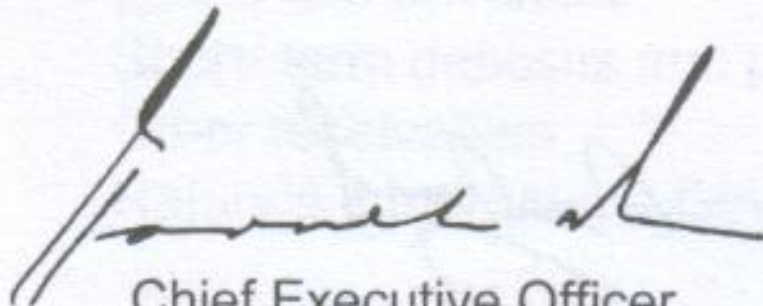

Director


AL-GHAZI TRACTORS LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)**

	Share capital	General reserve	Reserve for bonus shares	Unappropriated profit	Total
	(Rupees'000)				
Balance at January 1, 2013	214,682	1,000,000	-	6,711,631	7,926,313
Final Dividend @ Rs. 15 per share for the year ended December 31, 2012	-	-	-	(644,047)	(644,047)
Interim Dividends @ Rs. 10 per share for the year ended December 31, 2013	-	-	-	(429,364)	(429,364)
Total comprehensive income for the year ended December 31, 2013	-	-	-	1,366,057	1,366,057
Balance at December 31, 2013	214,682	1,000,000	-	7,004,277	8,218,959
Final Dividend @ Rs. 15 per share for the year ended December 31, 2013	-	-	-	(644,047)	(644,047)
Reserve for issue of bonus shares	-	-	75,139	(75,139)	-
Total comprehensive income for the first quarter ended March 31, 2014	-	-	-	234,824	234,824
Balance at March 31, 2014	<u>214,682</u>	<u>1,000,000</u>	<u>75,139</u>	<u>6,519,915</u>	<u>7,809,736</u>

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


Chief Executive Officer


Director

AL-GHAZI TRACTORS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE FIRST QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

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

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

2 BASIS OF PREPARATION

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

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the company for the year ended December 31, 2013.

	March 31, 2014	December 31, 2013
	(Rupees'000)	
3 FIXED ASSETS		
Cost - opening	746,401	686,832
Additions during the period	18,421	71,518
Diposals during the period	(2,639)	(11,949)
Cost - closing	<u>762,183</u>	<u>746,401</u>
Accumulated Depreciation - opening	341,968	313,351
Charge for the period	10,404	39,001
Depreciation on diposals	(2,477)	(10,384)
Accumulated Depreciation - closing	<u>349,895</u>	<u>341,968</u>
Net Book Value	<u>412,288</u>	<u>404,433</u>

4 COMMITMENTS

Commitments for capital expenditure outstanding as at March 31, 2013 amounted to Rs. 5.16 million (2013: Rs. 10.24 million)

	March, 31 2014	March, 31 2013
	(Rupees'000)	
5 SALES		
Tractors	1,455,131	1,656,427
Trading and others	15,960	20,964
	<u>1,471,091</u>	<u>1,677,391</u>
Less: Commission and discounts	(17,921)	(19,518)
Sales Tax	(201,983)	(150,312)
	<u>1,251,187</u>	<u>1,507,561</u>

AL-GHAZI TRACTORS LIMITED

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)**

	March 31, 2014	March 31, 2013
	(Rupees'000)	
6 COST OF GOODS SOLD		
Cost of goods manufactured	1,226,832	1,538,640
Opening stock of finished goods	8,866	16,288
Closing stock of finished goods	(307,122)	(386,513)
Manufactured goods	<u>928,576</u>	<u>1,168,415</u>
Trading and others	9,376	16,977
	<u>937,952</u>	<u>1,185,392</u>
7 CASH GENERATED FROM OPERATIONS		
Profit before taxation	317,397	336,287
Add/(Less) adjustment for non cash charges and other items		
Depreciation	10,404	9,379
Profit on disposal of fixed assets	(1,382)	(596)
Fair value gain on investments	(67,809)	(27,453)
Return on investments and bank deposits	(29,473)	(74,232)
Profit before working capital changes	<u>229,137</u>	<u>243,385</u>
Effect on Cash Flow due to Working Capital changes		
(Increase) / Decrease in current assets		
Stores and spares	(6,887)	(1,304)
Stock in trade	(102,465)	(963,403)
Trade debts	91,718	160,952
Loans and advances	8,528	14,758
Short- term deposits and prepayments	(8,208)	(10,092)
Other receivables	11,336	5,683
Refunds due from the Government	(70,946)	(125,896)
	<u>(76,924)</u>	<u>(919,302)</u>
(Decrease) / Increase in trade and other payables	(773,292)	(299,888)
Net cash used in operations	<u>(621,079)</u>	<u>(975,805)</u>

AL-GHAZI TRACTORS LIMITED

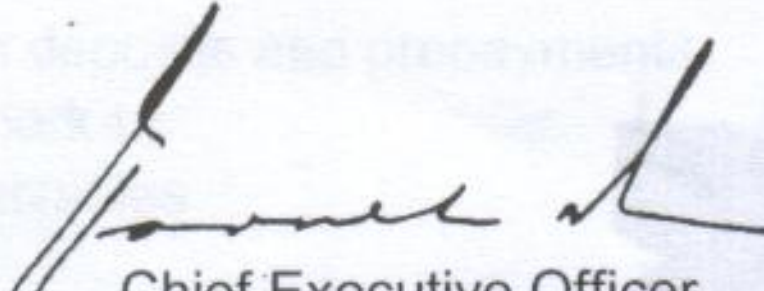
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED MARCH 31, 2014 (UN-AUDITED)**

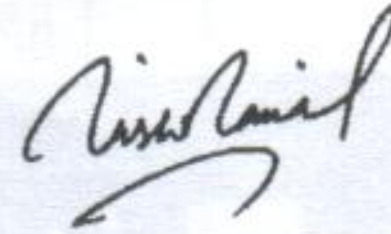
8 RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the quarter ended March 31, 2014 (2013: NIL).

9 AUTHORISATION OF ISSUE

These financial statements were authorised for issue by the Board of Directors on April 22, 2014.


Chief Executive Officer


Director

Quarter ended March 31, 2014 (2013: Nil)

Sales of Director on April 22, 2014

Cost of goods sold

Gross profit

Distribution cost

Administrative expenses

Other income

Finance income

Profit

Taxation

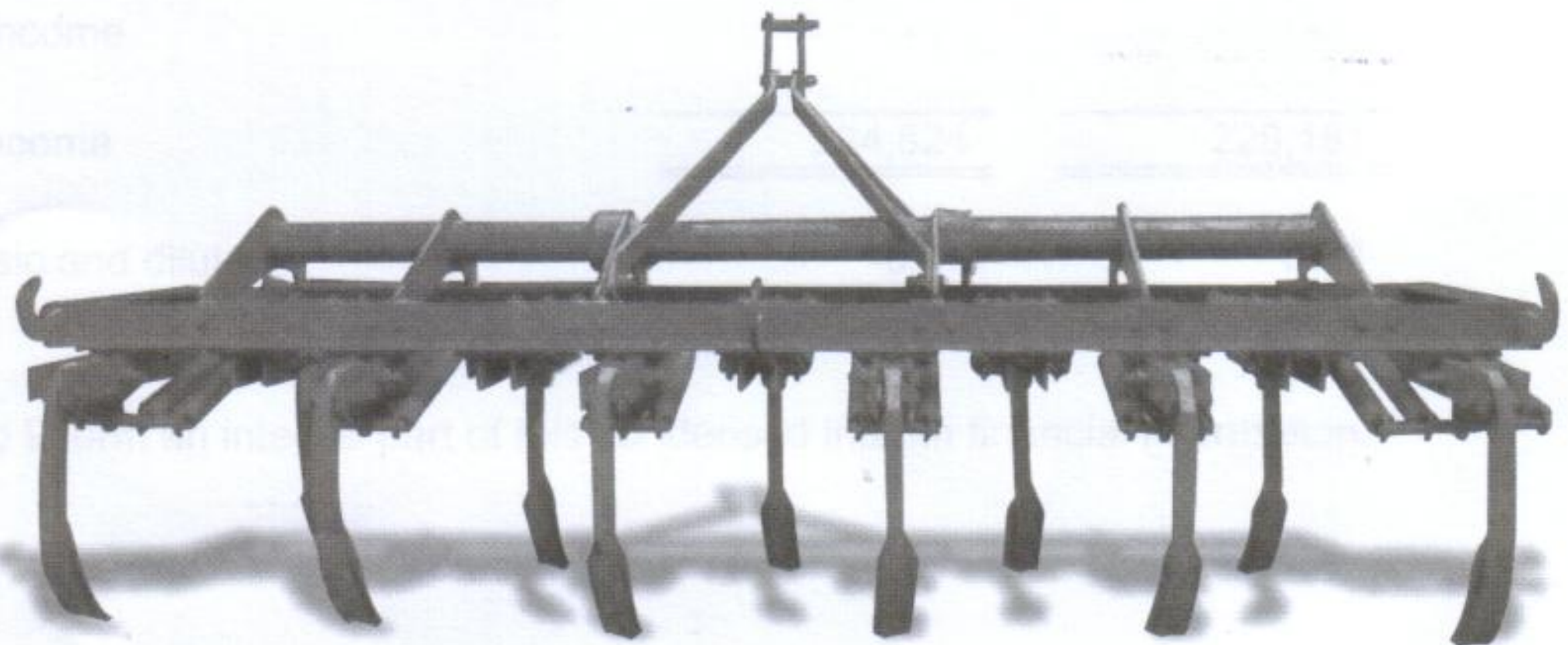
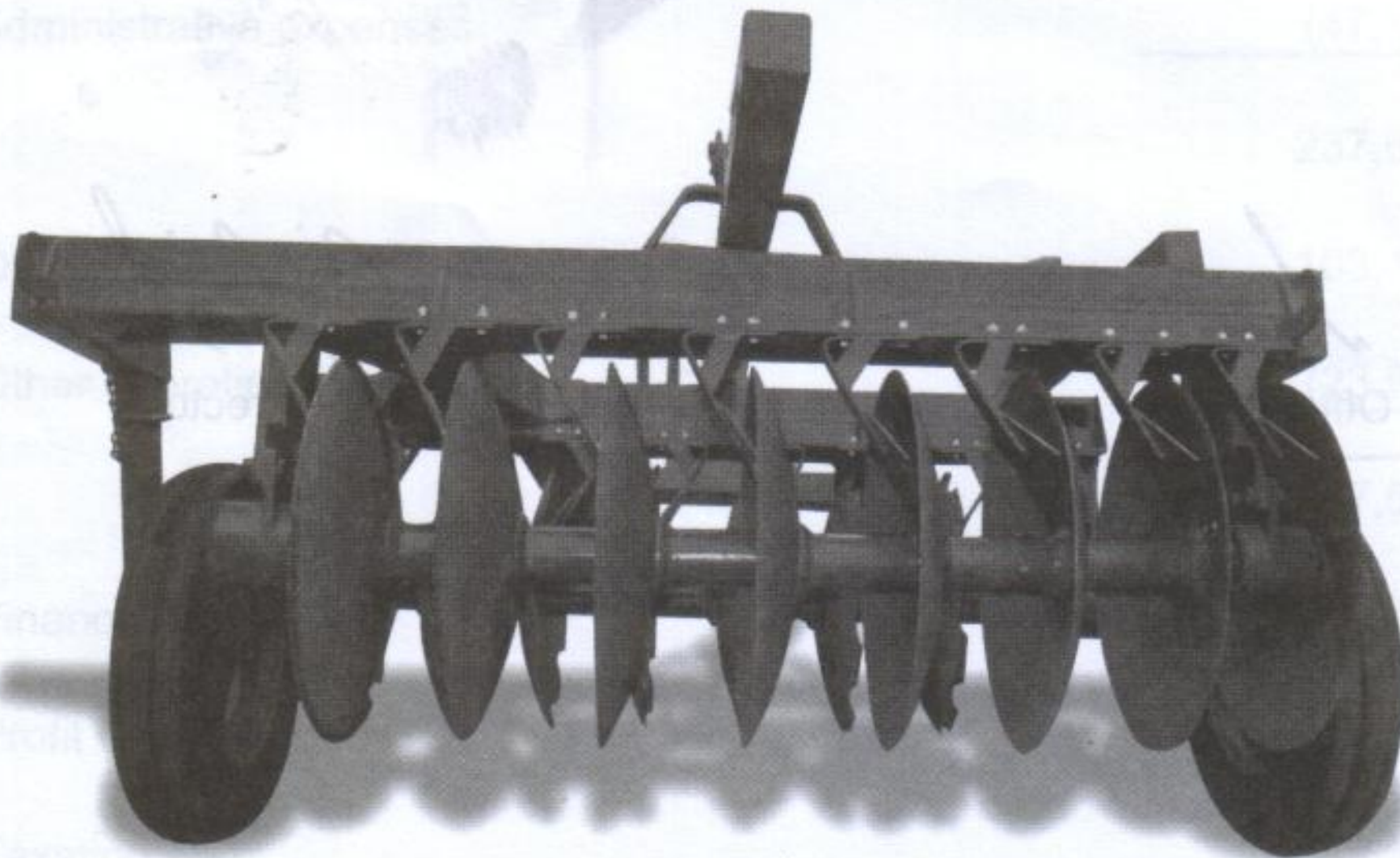
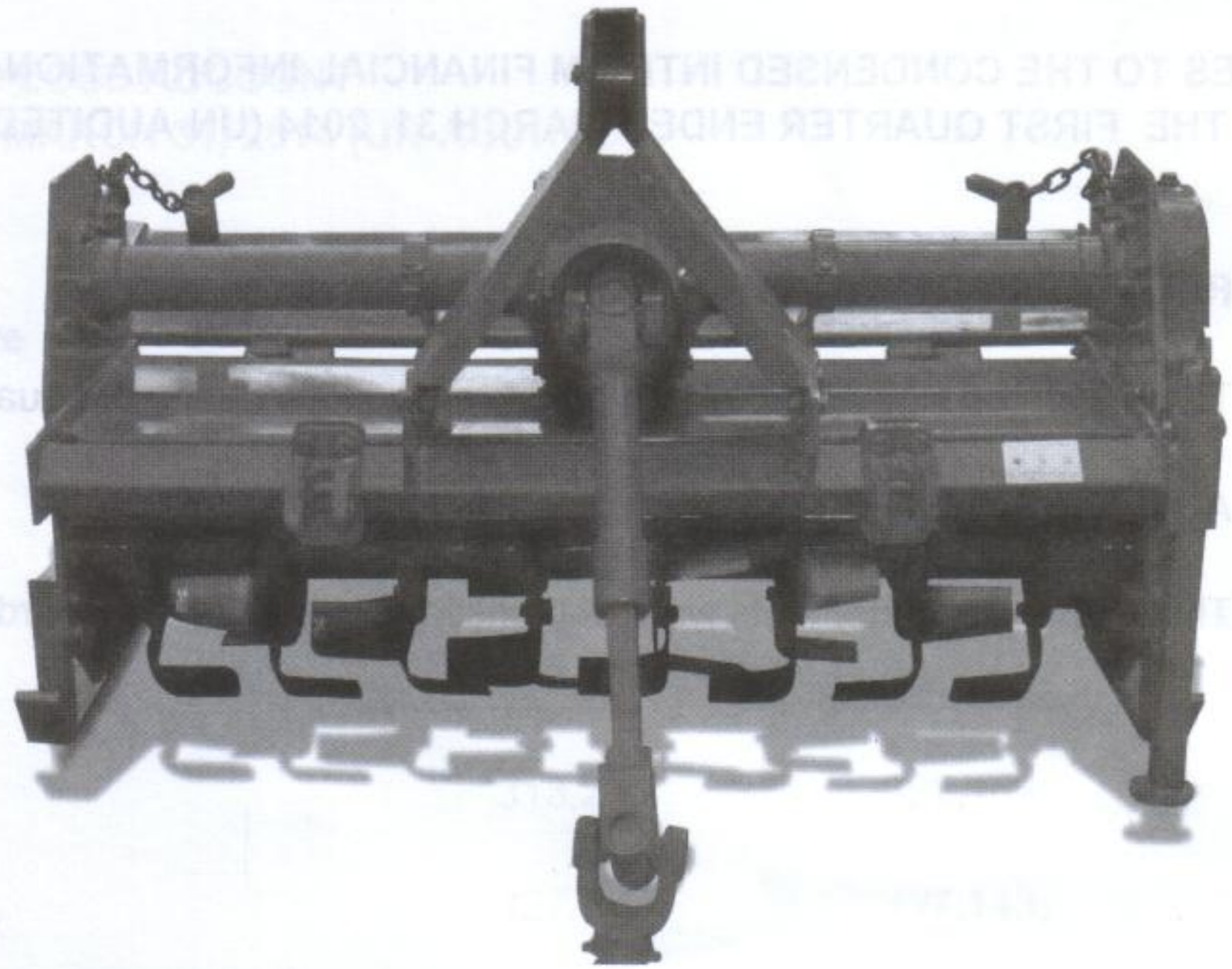
Profit after taxation

Other comprehensive income

Total comprehensive income

Earnings per share

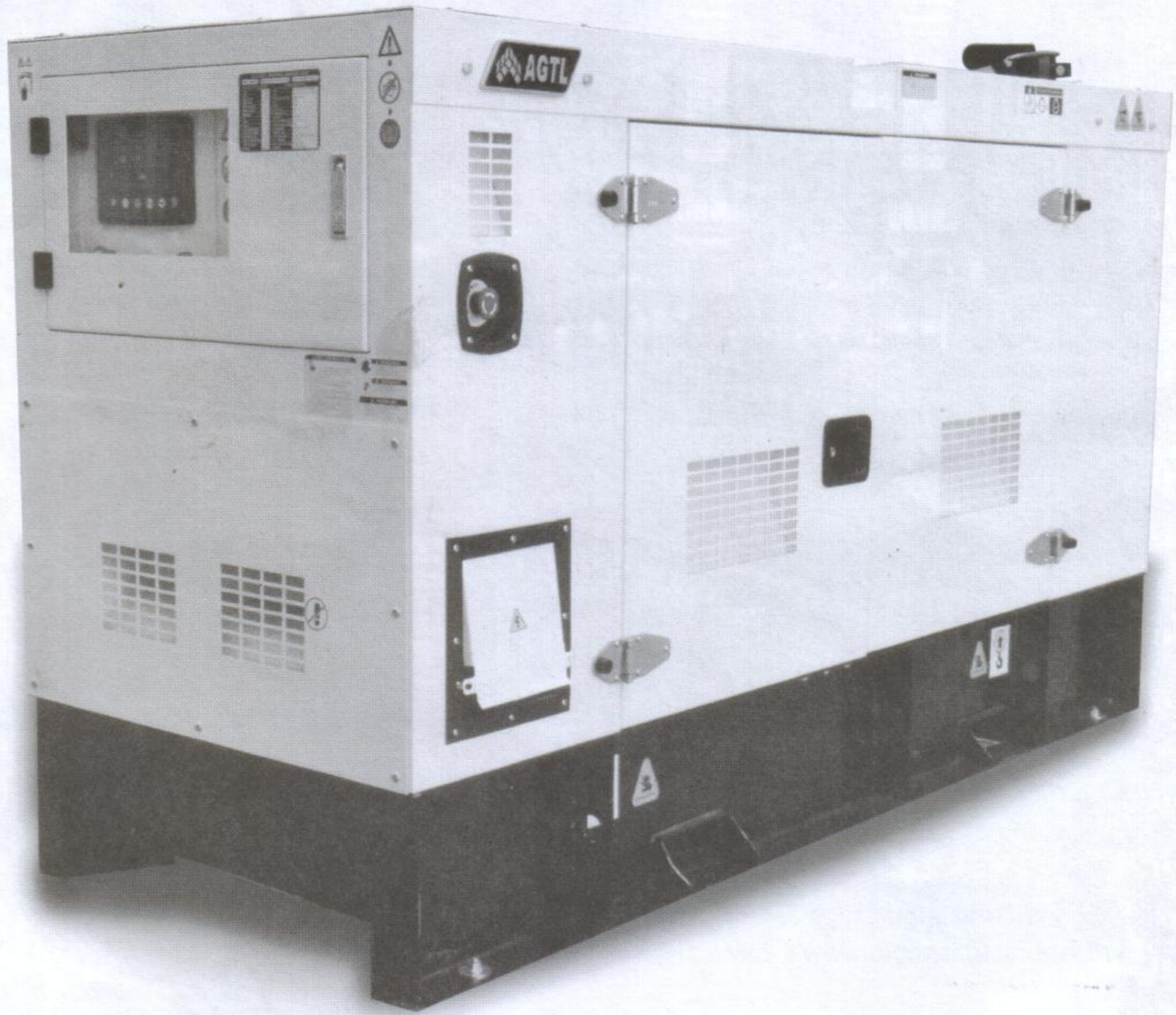
The annexed notes 1 to 10



Chief Executive Officer

Director



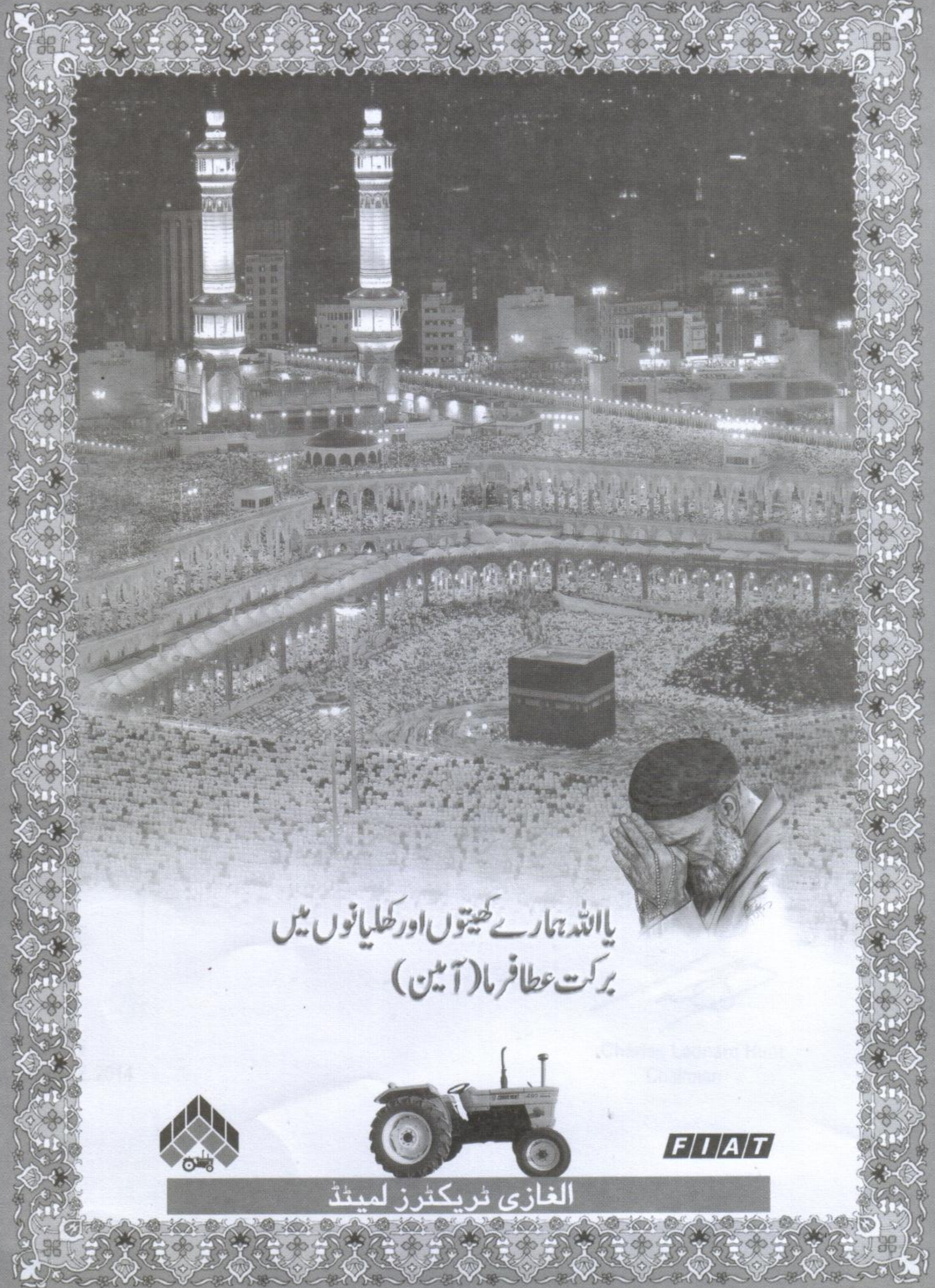


AGTL
Human Resources
And Remuneration



AL-GHAZI TRACTORS LTD





یا اللہ ہمارے کھیتوں اور کھلیانوں میں
برکت عطا فرما (آمین)



FIAT

الغازی ٹریکٹرز لمیٹڈ

REGIONAL OFFICES

Marketing Centre, Lahore

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

Marketing Regional Office, Multan

20 Industrial Estates,
Tel: 061-6514057-9

Marketing Regional Office, Sukkur

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

Marketing Regional Office, Islamabad

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



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INVEST IN AGRICULTURE



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QUALITY MANAGEMENT-BRAND STRENGTH

AL-GHAZI TRACTORS LTD