

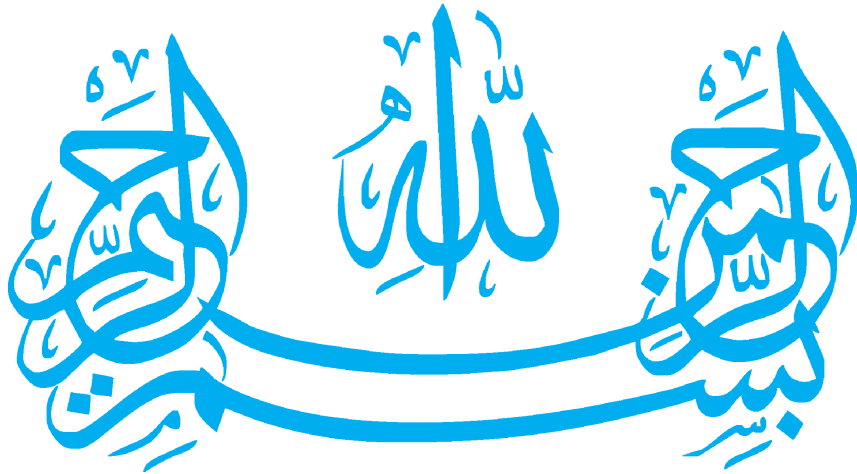


**QUARTERLY**  
**ACCOUNTS (UN-AUDITED)**  
**September 30, 2016**



**SAZGAR ENGINEERING WORKS LIMITED**

**SAZGAR ENGINEERING WORKS LIMITED**



# SAZGAR ENGINEERING WORKS LIMITED



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## SAZGAR ENGINEERING WORKS LIMITED



### Vision

Dynamic, Quality Conscious and Ever Progressive

### Mission

- To be market leader in providing safe, economical, durable, comfortable and environment friendly means of transportation of international quality at competitive prices
- To achieve market leadership in automotive wheel-rims of all types and sizes
- Grow through innovation of new products and
- Give higher return to the stakeholders.

### Corporate Strategy

Achieve optimal performance in production and sale; continuously add value added products at competitive prices by maintaining "quality" as core element; focus on customers'satisfaction regarding sale, spares and service; explore new markets and enhance customers base; ensure right usage of company's resources; create employment opportunities; protect the interest of stakeholders; and be a part of the country's development.



# SAZGAR ENGINEERING WORKS LIMITED

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mrs. Saira Asad Hameed  
Chairperson/Non-Executive Director

Mr. Mian Asad Hameed  
Chief Executive

Mr. Saeed Iqbal Khan  
Executive Director

Mr. Mian Muhammad Ali Hameed  
Non-Executive Director

Mr. Mian Zafar Hameed  
Non-Executive Director

Mrs. Amina Humza Wazir  
Non-Executive Director

Mr. Ahsan Ejaz  
Independent Director

### COMPANY SECRETARY

Mr. Arshad Mahmood - FCA

### REGISTERED OFFICE

88 - Ali Town, Thokar Niaz Baig,  
Raiwind Road, Lahore.

### SHARE REGISTRAR

Corp Tec Associates (Pvt.) Limited  
503-E, Johar Town, Lahore.  
Ph# 042-35170336-37  
Fax# 042-35170338

### FACTORY

18-KM Raiwind Road, Lahore.

### AUDIT COMMITTEE

Mr. Mian Muhammad Ali Hameed  
Chairman

Mr. Mian Zafar Hameed  
Member

Mr. Ahsan Ejaz  
Member

Mr. Arshad Mahmood  
Secretary

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ahsan Ejaz  
Chairman

Mr. Saeed Iqbal Khan  
Member

Mrs. Amina Humza Wazir  
Member

Mr. Arshad Mahmood  
Secretary

### AUDITORS

Kabani & Company  
Chartered Accountants

### BANKERS

Allied Bank Limited  
National Bank of Pakistan  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
The Bank of Punjab  
Summit Bank Limited  
NIB Bank  
Meezan Bank Limited  
Soneri Bank Limited  
United Bank Limited  
Bank Al- Habib Limited  
Askari Bank Limited



## SAZGAR ENGINEERING WORKS LIMITED

### ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر، 2016 تک مکمل ہونے والی پہلی سہ ماہی کے لئے کمپنی کے معاملات پر غرضی کے ساتھ اپنا جائزہ پیش کرتے ہیں۔

#### مالیاتی نتائج:

اللہ کا شکر ہے کہ اس سہ ماہی کے مالیاتی نتائج کمپنی کی فروخت اور آمدنی میں اضافہ کے رجحان کو ظاہر کر رہے ہیں اس سہ ماہی میں کمپنی کی مجموعی فروخت میں 44.25 فیصد اضافہ ہوا ہے۔ پچھلے مالیاتی سال کی سہ ماہی کے مقابلہ میں فروخت 548.80 ملین روپے سے بڑھ کر 791.66 ملین روپے ہو گئی ہے۔ مجموعی منافع 60.12 فیصد کے حساب سے 51.89 ملین روپے سے بڑھ کر 83.09 ملین روپے ہو گیا ہے۔ عمل درآمد منافع 117.61 فیصد کے حساب سے 20.50 ملین روپے سے بڑھ کر 44.61 ملین روپے ہو گیا ہے اور آمدنی فی شخص 0.75 روپے سے بڑھ کر 1.64 روپے ہو گئی ہے۔

کمپنی نے پچھلے سال کی پیداوار 3,662 عدد کے مقابلہ میں اس سال 45.74 فیصد اضافہ کے ساتھ اس سہ ماہی میں 5,337 عدد آؤٹ رکھے بنائے۔ اس سہ ماہی کے دوران کمپنی نے آؤٹ رکشی مارکیٹ ڈیمانڈ کو پورا کرنے کے لئے کمپنی کی پیداواری صلاحیت کا 100 فیصد استعمال حاصل کیا اور مزید پیداوار کے لئے توسیعی وقت میں کام کرنا پڑا۔

کمپنی نے پچھلے سال کی سہ ماہی میں 15,959 ٹریکٹر ویکل رقم کی پیداوار کے مقابلے میں اس سہ ماہی میں 14,618 ٹریکٹر ویکل رقم بنائے۔

#### مستقبل پر نقطہ نظر:

کمپنی آنے والے وقت میں آؤٹ رکشی مارکیٹ ڈیمانڈ میں بڑھتے ہوئے رجحان کی پیش بینی کرتی ہے امید ہے کہ ملک میں کوئی غیر یقینی سیاحی حالت نہیں ہوگی اور حکومت ملک کو مزید محفوظ اور کاروبار دوست بنانے اور امن لانے کے لئے اپنی کوششیں جاری رکھے گی۔

ٹریڈ انڈسٹری نے بہتر ہونا شروع کر دیا ہے اور کمپنی ٹریکٹر بنانے والے اداروں سے آرڈر میں اضافے کی توقع رکھتی ہے۔

اللہ کے فضل و کرم سے آنے والے وقت میں بہتر مالیاتی نتائج کی توقع کی جاتی ہے۔

ڈائریکٹرز ملازمین کی ان تحکک کوششوں، ٹیم ورک اور گن جنکا اظہار انہوں نے موجودہ عرصہ کے دوران کیا ہے کے شکر گزار ہیں وہ محترمہ و محترمہ داران، گاہکوں، سپلائرز اور مالیاتی اداروں کے کمپنی کے ساتھ مسلسل تعاون اور اعتماد کرنے پر بھی شکر گزار ہے۔

ہیرڈ آف ڈائریکٹرز کی جانب سے

*A. I. Khan*

میٹا اسد سعید  
چیف ایگزیکٹو

لاہور

مورخہ 25 اکتوبر 2016



# SAZGAR ENGINEERING WORKS LIMITED

## DIRECTORS' REVIEW

The directors of your Company are pleased to present their review on the affairs of the Company for the first quarter ended September 30, 2016.

### Financial Results:

AL HAMD O LILLAH, financial results of the current quarter are showing a growing trend of sales and profitability of the Company. During this quarter, the Company's net sale has increased by 44.25% from Rs. 548.80 M to Rs. 791.66M, gross profit by 60.12% from Rs.51.89M to Rs. 83.09M, pretax profit by 117.61% from Rs. 20.50 M to Rs. 44.61 M and earnings per share from Rs. 0.75 to Rs. 1.64 as compared to the corresponding period of last financial year.

The Company produced 5,337 units of Auto Rickshaws during this period compared with 3,662 units of auto rickshaws produced during corresponding period of last year showing an increase of 45.74%. During the quarter, the Company has achieved 100% utilization of production capacity and for the additional production, Company has to work in extended overtime to fulfill the market demand of auto rickshaws.

The company produced 14,618 tractor wheel rims during the current period compared with 15,959 wheel rims of corresponding period of last year.

### Future Outlook:

The Company foresees a rising trend in the market demand of auto rickshaws in the period to come. It is hoped that there would not be any political uncertainty in the country and the Government will continue its efforts to bring the peace and to make the country more safe and business friendly.

The tractor industry has also started to improve and company expects an increase in orders from the tractor assemblers.

By the Grace of Almighty Allah, better financial results are expected in the coming period.

The directors would like to place on record their appreciation for the untiring efforts, teamwork and dedication shown by the company's employees during the period under review. They would also like to express their gratitude to the valued shareholders, customers, suppliers and financial institutions for their co-operation, constant support and trust on the Company.

For and on behalf of the Board



Mian Asad Hameed  
(Chief Executive)

Lahore  
Dated: 25-10-2016



# SAZGAR ENGINEERING WORKS LIMITED

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2016

	Note	September 30, 2016 Rupees	June 30, 2016 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Authorized share capital 50,000,000 (June 2016: 50,000,000) ordinary shares of Rupees 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up share capital	4	179,723,680	179,723,680
Revenue reserve - Un-appropriated Profit		539,166,332	509,691,079
		718,890,012	689,414,759
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		-	56,310
Deferred Liabilities		122,859,578	118,501,881
<b>CURRENT LIABILITIES</b>			
Trade and other payables		490,774,654	320,181,524
Mark-up & Profit accrued on loans and other payables		230,832	5,536
Current portion of long term liabilities		554,992	773,456
Provision for Taxation		63,263,638	48,745,424
		554,824,116	369,705,940
<b>CONTINGENCIES AND COMMITMENTS</b>	5	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,396,573,706</b>	<b>1,177,678,890</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
**MIAN ASAD HAMEED**  
 CHIEF EXECUTIVE



# SAZGAR ENGINEERING WORKS LIMITED

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT SEPTEMBER 30, 2016

	Note	September 30, 2016 Rupees	June 30, 2016 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	6	283,974,282	244,518,158
Intangible Assets	7	111,729	135,605
<b>LONG TERM LOANS AND ADVANCES</b>		14,262,507	13,457,215
<b>LONG TERM DEPOSITS</b>		2,442,137	1,437,137
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		3,302,886	2,982,191
Stock-in-trade		535,525,701	486,882,925
Trade debts		101,797,954	92,494,400
Loans & advances		14,348,608	18,049,762
Trade deposits and short term prepayments		62,724,183	32,397,546
Other receivables		135,642,416	118,425,818
Cash and bank balances		242,441,303	166,898,133
		1,095,783,051	918,130,775
<b>TOTAL ASSETS</b>		1,396,573,706	1,177,678,890



SAEED IQBAL KHAN  
DIRECTOR



**SAZGAR ENGINEERING WORKS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	Note	First Quarter Ended	
		September 30, 2016	September 30, 2015
		Rupees	Rupees
Sales - Net	8	791,656,748	548,799,196
Cost of sales	9	708,569,976	496,908,850
<b>Gross Profit</b>		<b>83,086,772</b>	51,890,346
Distribution cost		19,722,101	15,427,176
Administrative expenses		15,526,237	14,119,454
Other operating expenses		3,363,058	1,597,759
		38,611,396	31,144,389
		44,475,376	20,745,957
Other income		473,434	1,197,848
<b>Operating profit before finance cost</b>		<b>44,948,810</b>	21,943,805
Finance cost		335,496	1,442,182
<b>Profit before taxation</b>		<b>44,613,314</b>	20,501,623
Taxation	10	15,138,061	7,040,949
<b>Profit after taxation</b>		<b>29,475,253</b>	13,460,674
<b>Earnings per share - Basic and diluted</b>	11	<b>1.64</b>	0.75

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



MIAN ASAD HAMEED  
CHIEF EXECUTIVE



SAEED IQBAL KHAN  
DIRECTOR



**SAZGAR ENGINEERING WORKS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	First Quarter Ended	
	September 30, 2016	September 30, 2015
	Rupees	Rupees
<b>PROFIT AFTER TAXATION FOR THE PERIOD</b>	<b>29,475,253</b>	13,460,674
Other comprehensive income / (loss) for the period	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>29,475,253</b>	13,460,674

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
**MIAN ASAD HAMEED**  
 CHIEF EXECUTIVE

  
**SAEED IQBAL KHAN**  
 DIRECTOR



**SAZGAR ENGINEERING WORKS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	First Quarter Ended	
	September 30, 2016	September 30, 2015
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	44,613,314	20,501,623
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	4,918,710	4,682,374
Amortization	23,876	25,282
Provision for gratuity	4,587,845	4,542,018
Finance cost	335,496	1,442,182
Other Income	(473,434)	(1,197,848)
	<b>9,392,493</b>	<b>9,494,008</b>
<b>Working capital changes</b>	<b>54,005,807</b>	<b>29,995,631</b>
<b>(Increase)/Decrease in current assets</b>		
Store, spares and loose tools	(320,695)	(2,974,537)
Stock-in-trade	(48,642,775)	42,665,176
Trade debts	(9,303,554)	16,533,517
Loans & Advances	3,701,154	(4,068,055)
Trade Deposits and short term prepayments	(30,326,637)	(20,041,455)
<b>Increase/(Decrease) in current liabilities</b>		
Trade and other payables	170,119,999	45,766,598
<b>Increase in Long term loans and advances</b>	<b>805,292</b>	<b>(88,000)</b>
	<b>84,422,200</b>	<b>77,793,244</b>
<b>Cash generated from operations</b>	<b>38,428,007</b>	<b>07,788,875</b>
Finance cost paid	(110,200)	(1,575,251)
Income tax paid/deducted at source	(16,263,900)	(6,935,252)
Employees retirement benefit - gratuity paid	(849,995)	(499,540)
<b>Net cash generated from operating activities</b>	<b>21,203,912</b>	<b>8,778,832</b>
<b>ASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(44,374,834)	(8,418,992)
Increase in long term deposits	(1,005,000)	-
Proceeds from sale of property, plant and equipment	-	1,970,000
<b>Net cash used in investing activities</b>	<b>45,379,834</b>	<b>(6,448,992)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of short term borrowings	-	15,145,139
Repayment of short term borrowings	-	(31,393,422)
Repayment of finance lease	(274,774)	(847,795)
Dividend paid	(6,133)	(71,096)
<b>Net cash used in financing activities</b>	<b>280,907</b>	<b>(17,167,174)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>75,543,170</b>	<b>5,162,666</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>166,898,133</b>	<b>18,282,048</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>242,441,303</b>	<b>93,444,714</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
**MIAN ASAD HAMEED**  
 CHIEF EXECUTIVE

  
**SAEED IQBAL KHAN**  
 DIRECTOR



**SAZGAR ENGINEERING WORKS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	Share Capital Rupees	Un-appropriated Profit Rupees	Total Rupees
<b>Balance as at June 30, 2015</b>	179,723,680	437,195,803	<b>616,919,483</b>
Total Comprehensive Income for the first quarter ended September 30, 2015	-	13,460,674	<b>13,460,674</b>
<b>Balance as at September 30, 2015</b>	<b>179,723,680</b>	<b>450,656,477</b>	<b>630,380,157</b>
<b>Balance as at June 30, 2016</b>	179,723,680	509,691,079	<b>689,414,759</b>
Total Comprehensive Income for the first quarter ended September 30, 2016	-	29,475,253	<b>29,475,253</b>
<b>Balance as at September 30, 2016</b>	<b>179,723,680</b>	<b>539,166,332</b>	<b>718,890,012</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
**MIAN ASAD HAMEED**  
 CHIEF EXECUTIVE

  
**SAEED IQBAL KHAN**  
 DIRECTOR



**SAZGAR ENGINEERING WORKS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

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**1 LEGAL STATUS AND OPERATIONS**

The Company was incorporated in Pakistan on September 21, 1991 as a Private Limited Company under the Companies Ordinance, 1984 and converted into a Public Limited Company on November 21, 1994. The Company is listed on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacture and sale of automobiles, automotive parts and household electric appliances. The registered office of the company is situated at 88 - Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore.

**2 BASIS OF PREPARATION**

**2.1** These condensed interim financial statements (un-audited) of the Company for the first quarter ended September 30, 2016 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 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 are followed. These condensed interim financial statements (un-audited) are being submitted to the shareholders as required by section 245 of the Companies Ordinance 1984.

**2.2** These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2016.

**2.3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

**2.3.1 Financial risk factors**

The Company's activities expose to a variety of financial risks namely market risk (including currency risk, price risk and interest rate risk), credit risk, foreign exchange risk and liquidity risk. There has been no change in the risk management policies during the period, consequently this condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements.

**2.3.2 Fair Value of financial assets and liabilities**

The carrying value of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair value.

**2.4 CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34- 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

**3 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES**

The accounting policies adopted are consistent with those of the previous financial year ended June 30, 2016.



**SAZGAR ENGINEERING WORKS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

**4 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**

September 30, 2016 Number	June 30, 2016 Number	NOTES	September 30, 2016 Rupees	June 30, 2016 Rupees
7,163,000	7,163,000	ordinary shares of Rupees 10/- each fully paid up in cash	71,630,000	71,630,000
10,809,368	10,809,368	ordinary shares of Rupees 10/- each allotted as bonus shares	108,093,680	108,093,680
<b>17,972,368</b>	<b>17,972,368</b>		<b>179,723,680</b>	<b>179,723,680</b>

**5 CONTINGENCIES AND COMMITMENTS**

**5.1 Contingencies**

There is no significant change in contingencies from the preceding annual published financial statement of the Company for the year ended June 30, 2016.

**5.2 Commitments**

**5.2.1 Commitments in respect of financing facilities:**

LIMIT Nos.	PARTICULARS	LIMITS AVAILABLE		LIMITS UTILIZED	
		September 30, 2016 Rupees	June 30, 2016 Rupees	September 30, 2016 Rupees	June 30, 2016 Rupees
	Not Later Than one Year				
1	Foreign LC Sight / Inland LC- Gross	440,000,000	440,000,000	102,064,983	90,836,072
2	FATR- Sublimit of Limit no.1	88,000,000	88,000,000	-	-
3	Murabaha Sublimit of Limit no.2	40,000,000	40,000,000	-	-
4	Murabaha Sublimit of Limit no.1	100,000,000	100,000,000	-	-
5	Running Musharika Sublimit of Limit no. 1	40,000,000	40,000,000	-	-
6	Istisna Sublimit of Limit no.1	60,000,000	60,000,000	-	-
7	Guarantee	8,040,000	8,040,000	-	-

**5.2.2 Commitments in respect of capital expenditure amount to Rs. 102.92 million (June 30, 2016: Rs. Nil)**

**6 PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets	6.1	245,149,326	241,027,824
Capital work in progress		23,387,856	490,334
Advance for purchase of vehicles		4,808,500	3,000,000
Advance for purchase of land		10,628,600	-
		<b>283,974,282</b>	<b>244,518,158</b>

**SAZGAR ENGINEERING WORKS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	NOTES	September 30,	June 30,
		2016	2016
		Rupees	Rupees
<b>6.1 OPERATING FIXED ASSETS - Tangible</b>			
Opening book value		241,027,824	241,477,525
Add:			
Additions during the period (at cost)			
- Building and civil works on leasehold land		-	2,509,800
- Building and civil works on freehold land		-	7,811,351
- Plant and machinery		-	4,866,771
- Office equipments		140,212	274,869
- Vehicles		8,900,000	8,908,500
		9,040,212	24,371,291
Less:			
Disposal during the period (at net book value)			
- Vehicles		-	5,017,261
Depreciation charged during the period		4,918,710	19,803,732
		4,918,710	24,820,993
Closing book value		245,149,326	241,027,824
<b>7 INTANGIBLE ASSETS</b>			
Opening book value		135,605	232,767
Add: additions during the period		-	-
		135,605	232,767
Less: amortization charged during the period		23,876	97,162
Closing book value		111,729	135,605
<b>8 SALES - NET</b>			
		July-Sep 2016 Rupees	July-Sep 2015 Rupees
Gross sales	8.1	951,947,890	655,645,690
Less: Sales tax		137,511,943	95,318,588
Sales returns		4,428,862	1,709,774
Commission		18,350,337	9,818,132
		160,291,142	106,846,494
		791,656,748	548,799,196

8.1 This includes Rs. 4.68 million (September 30, 2015: Rs.nil million) on account of export sales.



**SAZGAR ENGINEERING WORKS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	NOTES	July-Sep	July-Sep
		2016	2015
		Rupees	Rupees
<b>9 COST OF SALES</b>			
Raw materials and components consumed		655,188,717	472,286,542
Salaries, wages and other benefits		60,588,545	49,227,038
Stores, spares and loose tools consumed		7,478,258	5,562,650
Power and fuel charges		12,233,878	11,495,165
Repair and maintenance		24,689,069	12,980,908
Provision for slow moving items		667,321	1,512,431
Other expenses		1,486,347	1,701,549
Depreciation & Amortization		3,209,700	3,177,896
		<u>765,541,835</u>	<u>557,944,179</u>
Opening work-in-process		15,490,216	16,984,905
Closing work-in-process		(9,752,885)	(18,180,879)
Cost of goods manufactured		<u>771,279,166</u>	<u>556,748,205</u>
Opening finished goods		167,986,268	97,592,914
Closing finished goods		(230,695,458)	(157,432,269)
		<u>708,569,976</u>	<u>496,908,850</u>
<b>10 TAXATION</b>			
<b>Current</b>			
For the period	10.1	14,518,214	7,618,562
<b>Deferred</b>			
For the period		619,847	(577,613)
		<u>15,138,061</u>	<u>7,040,949</u>
<b>10.1</b>	The rate of tax has decreased from 32% to 31% during the period.		
<b>11 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
<b>Basic Earnings Per Share</b>			
Profit after taxation for the period - Rupees		29,475,253	13,460,674
Weighted average number of ordinary shares outstanding during the period - Note 4		17,972,368	17,972,368
<b>Basic earnings per share - Rupees</b>		1.64	0.75
<b>11.1 Diluted earnings per share</b>			

The diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2016 and September 30, 2015, which would have any effect on earning per share if the option to convert is exercised.

**SAZGAR ENGINEERING WORKS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

	July-Sep 2016 Rupees	July-Sep 2015 Rupees
<b>12 TRANSACTIONS WITH RELATED PARTIES</b>		
Remuneration, Allowances and benefits paid to Chief Executive and Executive Director(s)	3,955,000	3,955,000
<b>13 SEGMENT RESULTS</b>		
<b>Segment Revenue - Net</b>		
Home appliances	867,400	66,356
Auto parts	86,858,496	84,893,417
Auto rickshaw	703,930,852	463,839,423
<b>Total</b>	<b>791,656,748</b>	<b>548,799,196</b>
<b>Segment operating results</b>		
Home appliances	(136,740)	(43,872)
Auto parts	(1,079,106)	(1,114,636)
Auto rickshaw	49,054,279	23,502,223
<b>Total</b>	<b>47,838,433</b>	<b>22,343,715</b>
<b>14 DATE OF AUTHORIZATION FOR ISSUE</b>		
The Board of Directors of the Company has authorized these condensed interim financial statements for issue on October 25, 2016.		
<b>15 GENERAL</b>		
<b>15.1</b> The excess production of Auto-Rickshaw over normal capacity is due to working on over-time schedule to meet increased demand.		
<b>15.2</b> The figures have been rounded off to the nearest Rupee.		

  
**MIAN ASAD HAMEED**  
 CHIEF EXECUTIVE

  
**SAEED IQBAL KHAN**  
 DIRECTOR



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