



Quarterly
Financial Statements
(Un-Audited)
September 30, 2019



Sazgar Engineering Works Limited

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



SAZGAR ENGINEERING WORKS LIMITED

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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.



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
Executive Director

Mr. Mian Zafar Hameed
Non-Executive Director

Mrs. Sana Suleyman
Non-Executive Director

Mr. Humza Amjad Wazir
Non-Executive Director

Mr. Ahsan Ejaz
Independent Director

Mr. Anwar Ali
Independent Director

COMPANY SECRETARY

Mr. Arshad Mahmood - FCA

CHIEF FINANCIAL OFFICER

Mr. Muhammad Atif Rao

REGISTERED OFFICE

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

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. Ahsan Ejaz
Chairman

Mr. Anwar Ali
Member

Mrs. Sana Suleyman
Member

Mr. Arshad Mahmood
Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Anwar Ali
Chairman

Mr. Saeed Iqbal Khan
Member

Mr. Humza Amjad Wazir
Member

Mr. Arshad Mahmood
Secretary

AUDITORS

H.Y.K & Co.
Chartered Accountants

BANKERS

Allied Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Habib Bank Limited
Summit Bank Limited
NIB Bank Limited
Meezan Bank Limited
United Bank Limited
Bank Al - Habib Limited
MCB Islamic Bank Limited
Bank Islami Pakistan Limited



ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2019 کو مکمل ہونے والی پہلی سرمایہ کے لئے کمپنی کے معاملات پر بخوشی اپنا جائزہ پیش کرتے ہیں۔

مالیاتی نتائج:

مالی سال 2019-20 کی پہلی سرمایہ کے مالی نتائج ملک کے غیر یقینی معاشی حالات کے منفی اثرات کے تسلسل کی عکاسی کر رہے ہیں۔ اس سرمایہ میں کمپنی کی مجموعی فروخت 26.96 فی صدی کے ساتھ پچھلے مالیاتی سال کی سرمایہ کے مقابلہ میں 838.19 ملین روپے سے کم ہو کر 612.24 ملین روپے ہو گئی ہے، مجموعی منافع 22.52 فی صدی سے 89.97 ملین روپے سے کم ہو کر 69.71 ملین روپے ہو گیا ہے، قبل از ٹیکس منافع 73.61 فی صدی سے کم ہو کر 40.40 ملین روپے سے کم ہو کر 10.66 ملین روپے ہو گیا ہے اور آمدنی فی حصص 1.36 روپے سے کم ہو کر 0.38 روپے ہو گئی ہے۔

کمپنی نے پچھلے سال کی سرمایہ کی پیداوار 4,458 عدد قری و پلر گاڑیوں کے مقابلہ میں 44.39 فی صدی کے ساتھ اس سرمایہ میں 2,479 عدد قری و پلر گاڑیاں بنائیں۔

کمپنی نے پچھلے سال کی سرمایہ کی پیداوار 17,209 عدد میل رمز کے مقابلہ میں 25.98 فی صد اضافہ کے ساتھ اس سرمایہ میں 21,680 عدد ریکٹرویل رمز بنائے۔


مستقبل پر نقطہ نظر:

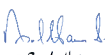
افراط زر کا بڑھتا ہوا رجحان، قرضے کی لاگت میں اضافہ اور غیر مستحکم ڈالر۔ پاکستانی روپے کی شرح تبادلہ کا روبرو کارے لے بڑے چیلنج ہیں۔ کمپنی قری و پلر گاڑیوں کے نئے ماڈلز کے متعارف کرانے، ڈیٹا سٹریٹجی میں اضافہ، نئی مصنوعات کی ایجاد کے ذریعہ سے اپنی پیداوار اور فروخت کے حجم میں اضافہ کرنے کے لئے پرعزم ہے۔

امید ہے کہ معاشی سرگرمیوں کو فروغ دینے کے لئے جو اقدامات حکومت اٹھارہی ہے اس کے نتیجے میں آنے والے وقت میں کاروباری حالات بہتر ہو جائیں گے۔

ڈائریکٹرز کمپنی کے ملازمین کی انتھک کوششوں، ٹیم ورک اور گن جس کا اظہار انہوں نے موجودہ عرصہ کے دوران کیا ہے، کے شکر گزار ہیں۔ وہ اپنے معزز حصص داران کاروباری شراکت دار اور مالی اداروں کے کمپنی کے ساتھ مسلسل تعاون کرنے پر بھی شکر گزار ہیں۔

یورڈ آف ڈائریکٹرز کی جانب سے


سعید اقبال خان
ڈائریکٹر


میاں اسد سعید
چیف ایگزیکٹو

لاہور
مورخہ 26 اکتوبر 2019



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, 2019.

Financial Results:

The financial results of the first quarter of the financial year 2019-20 are reflecting a continuity of the negative impact of the uncertain economic conditions of the country. During this quarter, the Company's net sale has decreased by 26.96% from Rs. 838.19 M to Rs. 612.24 M, gross profit by 22.52% from Rs. 89.97 M to Rs. 69.71 M, pretax profit by 73.61% from Rs. 40.40 M to Rs. 10.66 M and earnings per share from Rs. 1.36 to Rs. 0.38 as compared to the corresponding period of last financial year.

The Company produced 2,479 units of three wheeler vehicles during this period compared with 4,458 units of three wheeler vehicles produced during the corresponding period of last year showing a decline of 44.39%.

The Company produced 21,680 tractor wheel rims during the current period compared with 17,209 wheel rims of corresponding period of last year showing an increase of 25.98%.

Future Outlook:

The rising inflationary trend, higher borrowing cost and unstable USD-Pak Rupee exchange rate are big challenges for the businesses. The company is committed to increase its production and sales volumes through innovation of new products; enhancement in dealership network; introduction of new models of three wheeler vehicles.

It is hoped that the business conditions will improve in future period consequent to the measures being taken by the Government to boost the economic activities in the country.


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

Lahore

Dated: 26-10-2019


Mian Asad Hameed
(Chief Executive)


Saeed Iqbal Khan
(Director)



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2019

	Note	Un-audited	Audited
		September 30, 2019	June 30, 2019
		Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	4.1	500,000,000	500,000,000
Issued, subscribed and paid-up share capital	4.2	215,668,420	215,668,420
Revenue reserve - Un-appropriated Profit		837,253,655	829,038,827
		<u>1,052,922,075</u>	<u>1,044,707,247</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financing		194,298,480	201,669,995
Deferred Liabilities		171,823,395	168,967,159
CURRENT LIABILITIES			
Trade and other payables		495,323,972	515,981,079
Unclaimed dividend		1,444,923	1,496,234
Profit accrued on loans and other payables		18,972,156	15,695,208
Short term borrowings		194,750,791	-
Current portion of long term liabilities		33,724,325	22,401,560
		<u>744,216,167</u>	<u>555,574,081</u>
CONTINGENCIES AND COMMITMENTS			
	5	-	-
TOTAL EQUITY AND LIABILITIES		<u>2,163,260,117</u>	<u>1,970,918,482</u>
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	6	1,020,222,637	998,079,388
Intangible Assets	7	100,431	108,560
LONG TERM LOANS AND ADVANCES		<u>26,356,929</u>	<u>24,895,253</u>
LONG TERM DEPOSITS		<u>3,319,855</u>	<u>3,319,855</u>
CURRENT ASSETS			
Stores, spares and loose tools		2,678,339	2,992,529
Stock-in-trade		658,240,206	645,847,730
Trade debts		128,226,240	115,605,575
Loans & advances		18,493,435	16,220,005
Trade deposits and short term prepayments		52,781,379	48,610,555
Other receivables		128,363,868	109,271,671
Cash and bank balances		124,476,799	5,967,361
		<u>1,113,260,266</u>	<u>944,515,426</u>
TOTAL ASSETS		<u>2,163,260,118</u>	<u>1,970,918,482</u>

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


MUHAMMAD ATIF RAO

CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	Note	Three Months Ended	
		September 30, 2019	September 30, 2018
		Rupees	Rupees
Sales - Net	8	612,244,853	838,193,623
Cost of sales	9	542,533,149	748,219,991
Gross Profit		69,711,704	89,973,632
Distribution cost		20,349,922	22,090,643
Administrative expenses		24,512,779	23,504,513
Other operating expenses		790,184	3,069,740
		45,652,885	48,664,896
		24,058,819	41,308,736
Other income		1,410,035	1,199,470
Operating profit before finance cost		25,468,854	42,508,206
Finance cost		14,807,516	2,109,486
Profit before taxation		10,661,338	40,398,720
Taxation	10	2,446,509	11,031,407
Profit after taxation		8,214,829	29,367,313
Earnings per share - Basic and diluted	11	0.38	1.36

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


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	Three Months Ended	
	September 30, 2019	September 30, 2018
	Rupees	Rupees
PROFIT AFTER TAXATION FOR THE PERIOD	8,214,829	29,367,313
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>8,214,829</u>	<u>29,367,313</u>

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

MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	Share Capital Rupees	Un-appropriated Profit Rupees	Total Rupees
Balance as at June 30, 2018 - Audited	215,668,420	741,695,967	957,364,387
Comprehensive Income for the period			
Profit after taxation	-	29,367,313	29,367,313
Other Comprehensive Income / (Loss)	-	-	-
Total comprehensive income for the period ended September 30, 2018	-	29,367,313	29,367,313
Balance as at September 30, 2018 - Un-audited	<u>215,668,420</u>	<u>771,063,280</u>	<u>986,731,700</u>
Balance as at June 30, 2019 - Audited	215,668,420	829,038,827	1,044,707,247
Comprehensive Income for the period			
Profit after taxation	-	8,214,829	8,214,829
Other Comprehensive Income / (Loss)	-	-	-
Total comprehensive income for the period ended September 30, 2019	-	8,214,829	8,214,829
Balance as at September 30, 2019 - Un-audited	<u>215,668,420</u>	<u>837,253,655</u>	<u>1,052,922,075</u>

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


MUHAMMAD ATIF RAO

CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	Three Months Ended	
	September 30, 2019	September 30, 2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,661,338	40,398,720
Adjustment for non cash charges and other items:		
Depreciation	4,714,960	4,477,505
Amortization	8,129	2,700
Provision for staff retirement gratuity	10,081,578	7,164,592
Finance cost	14,807,516	2,109,486
Other Income	(1,410,035)	(1,199,470)
	<u>28,202,148</u>	<u>12,554,813</u>
	38,863,486	52,953,533
Working capital changes		
(Increase)/Decrease in current assets		
Store, spares and loose tools	314,190	(103,599)
Stock-in-trade	(12,392,476)	(113,621,193)
Trade debts	(12,620,665)	(14,400,246)
Loans & Advances	(2,273,430)	(384,817)
Trade Deposits and short term prepayments	(4,170,824)	(28,781,996)
Other receivables	(654,946)	-
(Decrease) / Increase in current liabilities		
Trade and other payables	(22,110,545)	46,961,262
Increase in Long term loans and advances	(1,461,676)	(3,369,901)
	<u>(55,370,372)</u>	<u>(113,700,490)</u>
Cash used in operations	<u>(16,506,886)</u>	<u>(60,746,957)</u>
Finance cost paid	(11,530,568)	(3,580,142)
Income tax paid/deducted at source	(24,960,645)	(23,349,249)
Employees retirement benefit - gratuity paid	(284,985)	(167,467)
Workers' Profit Participation Fund Paid	-	(10,994,813)
Net cash used in operating activities	<u>(53,283,084)</u>	<u>(98,838,628)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(26,858,209)	(15,928,640)
Increase in long term deposits	-	(90,000)
Proceeds from sale of property, plant and equipment	-	1,450,000
Net cash used in investing activities	<u>(26,858,209)</u>	<u>(14,568,640)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of long term borrowings	3,951,250	-
Proceeds of short term borrowings	631,904,944	302,807,213
Repayment of short term borrowings	(437,154,152)	(194,754,399)
Dividend paid	(51,311)	(6,045)
Net cash generated from financing activities	<u>198,650,731</u>	<u>108,046,769</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>118,509,438</u>	<u>(5,360,499)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>5,967,361</u>	<u>35,324,803</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>124,476,799</u>	<u>29,964,304</u>

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


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

1 LEGAL STATUS AND OPERATIONS

Sazgar Engineering Works Limited was incorporated in Pakistan on September 21, 1991 as a Private Limited Company 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. The three wheeler, wheel rim and household electric appliances manufacturing facility is located at 18 K.m Raiwind Road, Lahore and four wheeler manufacturing facility, which is under construction, is situated at Western Tank Link Road, Near Ijtimah Chowk, Sundar Road, Raiwind, Lahore.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements (un-audited) of the Company for the three months ended September 30, 2019 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of; International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017 (the "Act"). Where the provisions of and directives issued under the Companies Act, 2017 (the "Act") differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 (the "Act") have been followed.

2.2 These condensed interim financial statements (un-audited) are being submitted to the shareholders as required by section 237 of The Companies Act, 2017 (the "Act").

2.3 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 audited financial statements for the year ended June 30, 2019.

2.4 FINANCIAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND ACCOUNTING ESTIMATES AND JUDGMENTS

2.4.1 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2019.

2.4.2 Fair Value of financial assets and liabilities

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

2.4.3 Accounting Estimates and judgments

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2019.

2.5 CORRESPONDING FIGURES

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

3 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

3.1 The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2019.

3.2 Certain standards, amendments and interpretations of approved accounting standards will be effective for accounting periods but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

4 SHARE CAPITAL

4.1 AUTHORIZED SHARE CAPITAL

Un-audited		Audited		NOTE	Un-audited		Audited	
September 30, 2019	June 30, 2019	September 30, 2019	June 30, 2019		September 30, 2019	June 30, 2019	September 30, 2019	June 30, 2019
Number		Number			Rupees		Rupees	
50,000,000		50,000,000		Ordinary shares of Rupees 10 each	500,000,000		500,000,000	

4.2 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

7,163,000	7,163,000	ordinary shares of Rupees 10/- each fully paid up in cash.	71,630,000	71,630,000
14,403,842	14,403,842	ordinary shares of Rupees 10/- each allotted as bonus shares.	144,038,420	144,038,420
21,566,842	21,566,842		215,668,420	215,668,420

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, 2019. Except the following;

- 5.1.1 DCIR initiated proceedings under section 161/205 of Income Tax Ordinance 2001 for tax year 2017 and created a tax demand of Rs. 33,952,716/- as on March 30, 2019. The company filed an appeal against this order with CIR (A) and CIR (A) deleted the order of DCIR as on June 25, 2019. However DCIR filed an appeal with ATIR against the order of CIR (A) as on August 27, 2019, proceedings are still pending. In the opinion of tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.

5.2 Commitments

- 5.2.1 Commitments in respect of outstanding letters of credit for raw material other than capital expenditure amount to Rs. 125.74 Million (June 30, 2019: Rs. 134.26 Million).
- 5.2.2 Commitments in respect of capital expenditures including letters of credit amount to Rs. 148.89 Million (June 30, 2019: Rs. 146.52 Million).

6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1	343,873,394	348,588,354
Capital work in progress	6.2	676,349,243	649,491,034
		1,020,222,637	998,079,388

6.1 OPERATING FIXED ASSETS - Tangible

Opening book value		348,588,354	346,844,374
Add:			
Additions during the period (at cost)			
- Plant and machinery		-	2,675,527
- Furniture and Fittings		-	684,830
- Office equipments		-	1,005,580
- Electric installations		-	1,931,500
- Vehicles		-	16,336,000
		-	22,633,437
Less:			
Disposal during the period (at net book value)			
- Vehicles		-	973,126
Depreciation charged during the period		4,714,960	19,916,331
		4,714,960	20,889,457
Closing book value		343,873,394	348,588,354



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

	NOTE	Un-audited	Audited
		September 30, 2019	June 30, 2019
		Rupees	Rupees
6.2 CAPITAL WORK IN PROGRESS			
Opening Balance		649,491,034	361,959,281
Additions during the period			
- Plant and machinery		21,726,379	240,961,454
- Building and Civil Works on freehold land		5,131,830	46,719,382
		26,858,209	287,680,836
Less Transferred to fixed assets during the period			
- Intangible		-	149,083
Closing Balance		<u>676,349,243</u>	<u>649,491,034</u>
7 INTANGIBLE ASSETS			
Opening book value		108,560	10,575
Add: additions during the period		-	149,083
		108,560	159,658
Less: amortization charged during the period		8,129	51,098
Closing book value		<u>100,431</u>	<u>108,560</u>
		Un-audited	Un-audited
		July - Sep	July - Sep
		2019	2018
		Rupees	Rupees
8 SALES - NET			
Gross sales	8.1	742,023,677	1,035,257,963
Less: Sales tax		105,931,466	148,039,744
Sales returns		16,853,644	33,883,784
Commission		6,993,714	15,140,812
		129,778,824	197,064,340
		<u>612,244,853</u>	<u>838,193,623</u>
		8.1 This includes Rs. 2.77 million (September 30, 2018: Rs. 0.92 million) on account of export sales for the period.	
9 COST OF SALES			
Raw materials and components consumed		434,571,510	647,897,921
Salaries, wages and other benefits		77,873,331	67,899,134
Stores, spares and loose tools consumed		10,074,204	13,102,528
Power and fuel charges		13,823,038	16,268,958
Repair and maintenance		14,129,838	14,916,114
Provision for slow moving items		255,150	652,350
Other expenses		2,893,858	2,976,723
Depreciation & Amortization		2,711,196	2,943,689
		556,332,125	766,657,417
Opening work-in-process		28,239,219	11,921,639
Closing work-in-process		(11,394,730)	(18,587,223)
Cost of goods manufactured		573,176,614	759,991,833
Opening finished goods		178,368,962	137,357,026
Cost of finished goods purchased		-	11,024,634
Closing finished goods		(209,012,427)	(160,153,502)
		<u>542,533,149</u>	<u>748,219,991</u>
10 TAXATION			
Current			
For the period		9,386,867	12,013,404
Deferred			
For the period		(6,940,358)	(981,997)
		<u>2,446,509</u>	<u>11,031,407</u>



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2019

		Un-audited	Un-audited
		July - Sep 2019	July - Sep 2018
		Rupees	Rupees
11 EARNINGS PER SHARE - BASIC AND DILUTED			
Basic Earnings Per Share			
Profit after taxation for the period	Rupees	8,214,829	29,367,313
Weighted average number of ordinary shares	Number	21,566,842	21,566,842
outstanding during the period - Note 4.2			
Basic earnings per share	Rupees	0.38	1.36
11.1 Diluted earnings per share			
A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2019 and September 30, 2018 which would have any effect on earning per share if the option to convert is exercised.			
12 TRANSACTIONS WITH RELATED PARTIES			
Non-Executive Director (s)			
Meeting fee		270,000	270,000
Key Management Personnel			
Remuneration, Allowances and benefits		12,924,900	14,683,200*
Other Related Party			
Rent Expenses		57,500	-
* The comparative figure has been restated in accordance with the definition of key management personnel as per The Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018.			
13 SEGMENT RESULTS			
Segment Revenue - Net			
Home appliances		2,958,788	2,053,701
Auto parts		143,802,150	122,313,610
Auto rickshaw		465,483,915	713,826,312
Automobiles - Four Wheeler		-	-
Total		612,244,853	838,193,623
Segment operating results			
Home appliances		381,544	202,366
Auto parts		2,770,056	1,973,826
Auto rickshaw		31,091,030	44,734,065
Automobiles - Four Wheeler		(9,393,628)	(2,531,781)
Total		24,849,002	44,378,476

14 DATE OF AUTHORIZATION FOR ISSUE
The Board of Directors of the Company has authorized these condensed interim financial statements for issue on October 26, 2019.

15 GENERAL

15.1 The figures have been rounded off to the nearest Rupee.


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



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