SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE ACCOUNTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2008

1- **STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the annual preceding published accounts of the Company for the year ended June 30, 2008.

2- **BASIS OF PREPARATION**

These financial statements are un-audited and have been prepared in accordance with the requirements of International Accounting Standard, IAS-34 "Interim Financial Reporting" and are being submitted to the shareholders as required by section 245 of the Companies Ordinance 1984.

3- **ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**

Sep. 30 2008 Number	June 30, 2008 Number		**Sep. 30 2008 Rupees**	June 30, 2008 Rupees
7,163,000	7,163,000	Ordinary shares of Rupees 10/- each fully paid up in cash	**71,630,000**	71,630,000
1,504,230	1,504,230	Ordinary shares of Rupees 10/- each allotted as bonus shares	**15,042,300**	15,042,300
8,667,230	8,667,230		**86,672,300**	86,672,300

4- **CONTINGENCIES AND COMMITMENTS**

Contingencies

There is no significant change in the contingent liabilities of the Company since the last annual balance sheet date.

Commitments

Confirmed letters of credit for:

Other than capital expenditure	**46,764,978**	11,877,821

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	Note	Sep 30, 2008 Rupees	Sep 30, 2007 Rupees
5- TRANSACTIONS WITH ASSOCIATED COMPANY			
Purchases		-	6,009,782

	Note	Sep 30, 2008 Rupees	June 30, 2008 Rupees
6- PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets-Tangible	6.1	**203,175,126**	185,395,421
Capital work in progress		**25,530,082**	19,547,881
Advance for purchase of land		-	5,000,000
		228,705,208	209,943,302
6.1- OPERATING FIXED ASSETS-TANGIBLE			
Opening book value		**185,395,421**	108,883,983
Add: additions during the period		**21,875,600**	89,407,708
		207,271,021	198,291,691
Less: depreciation charged during the period		**3,583,366**	12,404,479
deletions during the period		**512,529**	491,791
		4,095,895	12,896,270
Closing book value		**203,175,126**	185,395,421
7. INTANGIBLE ASSETS			
Opening book value		**1,724,401**	2,346,539
Add: additions during the period		-	-
		1,724,401	2,346,539
Less: amortization charged during the period		**156,141**	622,138
Closing book value		**1,568,260**	1,724,401

	Jul-Sep 2008 Rupees	Jul-Sep 2007 Rupees
8. SALES - NET		
Gross sales	**223,367,930**	325,794,245
Less: Sales tax	**30,721,258**	42,494,898
Commission	**2,999,149**	15,469,744
Sales returns	**2,990,774**	432,215
	36,711,181	58,396,857
	186,656,749	267,397,388

SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE ACCOUNTS (UN-AUDITED)
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		Jul-Sep 2008	Jul-Sep 2007
		Rupees	Rupees
9.	**TAXATION**		
	Current		
	For the period	**1,525,161**	12,021,040
	Deferred		
	For the period	**435,506**	155,375
		1,960,667	12,176,415
10.	**EARNINGS PER SHARE**		
	Basic Earnings Per Share:		
	Net profit for the period attributable to ordinary share holders **Rupees**	**3,536,305**	23,346,402
	Number of ordinary shares outstanding at the end of the period -Note 10.1 **Numbers**	**8,667,230**	8,667,230
	Earnings Per Share **Rupees**	**0.41**	2.69

10.1 While calculating the earnings per share, number of ordinary shares outstanding at the close of corresponding period has been increased to reflect the effect of bonus shares issued, in compliance with the requirements of IAS-33 "Earnings per share".

11.	**SEGMENT RESULTS**		
	Segment Revenue - Net		
	Home Appliances	**159,247**	1,886,109
	Auto Parts	**95,802,322**	69,932,003
	Auto Rickshaw	**90,695,180**	195,579,276
	Total	**186,656,749**	267,397,388
	Segment Operating Results		
	Home Appliances	**(105,018)**	438,488
	Auto Parts	**16,485,198**	7,297,994
	Auto Rickshaw	**(6,231,852)**	32,544,866
	Total	**10,148,328**	40,281,348

12. GENERAL

12.1 - The Board of Directors of the Company has authorized these financial statements for issue on October 29, 2008.

12.2 - The figures have been rounded off to the nearest Rupee.

MIAN ASAD HAMEED
CHIEF EXECUTIVE

SAEED IQBAL KHAN
DIRECTOR