

SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

1- STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these financial statements are the same as those applied in the preparation of the annual preceding published financial statements of the company for the year ended June 30, 2010.

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

September 30, 2010 Number	June 30, 2010 Number		September 30, 2010 Rupees	June 30, 2010 Rupees
7,163,000	7,163,000	Ordinary shares of Rupees 10/- each fully paid up in cash.	71,630,000	71,630,000
5,317,811	5,317,811	Ordinary shares of Rupees 10/- each allotted as bonus shares	53,178,110	53,178,110
<u>12,480,811</u>	<u>12,480,811</u>		<u>124,808,110</u>	<u>124,808,110</u>

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	<u>61,545,253</u>	<u>55,950,230</u>
	<u>61,545,253</u>	<u>55,950,230</u>

Sep 30, 2010 Rupees	Sep 30, 2009 Rupees
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5- TRANSACTIONS WITH RELATED PARTIES

Key management personnels -

Salaries and other employees benefits	<u>5,289,630</u>	<u>5,234,825</u>
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	Note	Sep 30, 2010 Rupees	June 30, 2010 Rupees
6- PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets-Tangible	6.1	219,470,842	222,297,360
Capital work in progress		11,759,117	8,242,670
Assets subject to finance Lease	6.2	769,112	-
		<u>231,999,071</u>	<u>230,540,030</u>
6.1-OPERATING FIXED ASSETS-TANGIBLE			
Opening book value		222,297,360	218,278,800
Add: Additions during the period:		<u>917,727</u>	<u>21,092,751</u>
		223,215,087	239,371,551
Less: depreciation charged during the period		<u>3,744,245</u>	<u>16,320,556</u>
deletions during the period		-	753,635
		<u>3,744,245</u>	<u>17,074,191</u>
Closing book value		<u>219,470,842</u>	<u>222,297,360</u>
6.2-ASSETS SUBJECTS TO FINANCE LEASE			
This is the amount given to leasing company as an advance for assets subject to finance lease.			
7- INTANGIBLE ASSETS			
Opening book value		945,378	1,105,470
Add: additions during the period		<u>45,000</u>	<u>466,430</u>
		990,378	1,571,900
Less: amortization charged during the period		<u>181,324</u>	<u>626,522</u>
Closing book value		<u>809,054</u>	<u>945,378</u>

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	Note	Sep 30, 2010 Rupees	June 30, 2010 Rupees
8- SALES - NET			
Gross sales	8.1	573,965,574	451,993,938
Less: Sales tax and Excise duty		86,506,206	64,966,087
Sales returns		829,702	485,733
Commission		92,53,928	5,876,328
		96,589,836	57,328,148
		<u>477,375,738</u>	<u>376,665,390</u>

8.1- This includes Rs. 0.61million (September 30, 2009: Rs. 0.79 million on account of export sales.)

9- TAXATION

Current

For the period

9,705,984

8,902,687

Deferred

For the period

147,926

700,478

9,853,909

9,603,165

10- EARNINGS PER SHARE BASIC AND DILUTED

Basic earnings per share

Net profit for the period attributable to ordinary share holders

Rupees

16,747,050

16,339,529

Number of ordinary shares outstanding at the end of the period - Note 10.1

Number

12,480,811

12,480,811

Earnings per share

Rupees

1.34

1.31

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".

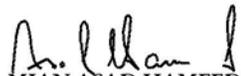
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	Jul-Sep 2010 Rupees	Jul-Sep 2009 Rupees
11- SEGMENT RESULTS		
Segment Revenue (Net)		
Home appliances	459,712	2,815,711
Auto parts	91,260,267	95,043,571
Auto rickshaw	385,655,759	278,806,108
Total	477,375,738	376,665,390
Segment operating results		
Home appliances	60,964	512,583
Auto parts	5,050,269	12,189,174
Auto rickshaw	27,415,465	17,219,282
Total	32,526,698	29,921,039

12- GENERAL

12.1-The Board of Directors of the Company has authorized these financial statements for issue on October 22, 2010.

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR