

SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

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, 2011.

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, 2011 Number	June 30, 2011 Number		September 30, 2011 Rupees	June 30, 2011 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	7,813,973	Ordinary shares of Rupees 10/- each allotted as bonus shares	108,093,680	78,139,730
<u>17,972,368</u>	<u>14,976,973</u>		<u>179,723,680</u>	<u>149,769,730</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, except the following:

A customer has filed a case against the Company with consumer court Faisalabad for the claim of autoparts under warranty. In the opinion of the management, favourable outcome of the case is expected therefore no provision is made in these financial statements.

Commitments

Confirmed letters of credit for:

Other than capital expenditure	<u>62,211,308</u>	61,545,253
	<u>62,211,308</u>	<u>61,545,253</u>

5- TRANSACTIONS WITH RELATED PARTIES

Key management personnels -

	Sep 30, 2011 Rupees	Sep 30, 2010 Rupees
Salaries and other employees benefits	<u>7,506,280</u>	<u>5,289,630</u>

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	Note	Sep 30, 2011 Rupees	June 30, 2011 Rupees
6- PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets-Tangible	6.1	231,940,641	233,840,926
Capital work in progress		4,586,613	4,678,369
		<u>236,527,253</u>	<u>238,519,294</u>
6.1-OPERATING FIXED ASSETS-TANGIBLE			
Opening book value		233,840,926	222,297,360
Add: Additions during the period:		2,369,898	28,196,826
		<u>236,210,915</u>	<u>250,494,186</u>
Less: depreciation charged during the period		4,184,243	16,266,941
deletions during the period		86,031	386,320
		<u>4,270,274</u>	<u>16,653,260</u>
Closing book value		<u>231,940,641</u>	<u>233,840,926</u>
7- INTANGIBLE ASSETS			
Opening book value		551,481	945,378
Add: additions during the period		-	213,576
		<u>551,481</u>	<u>1,158,954</u>
Less: amortization charged during the period		40,057	607,473
Closing book value		<u>511,424</u>	<u>551,481</u>
8- SALES - NET		Jul-Sep 2011 Rupees	Jul-Sep 2010 Rupees
Gross sales	8.1	708,820,025	573,965,574
Less: Sales tax		97,753,490	86,506,206
Sales returns		1,648,884	829,702
Commission		10,798,624	9,253,928
		<u>110,200,998</u>	<u>96,589,836</u>
		<u>598,619,027</u>	<u>477,375,738</u>

8.1- This includes Rs. Nil (September 30, 2010: Rs. 0.61 million on account of export sales)

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	Note	Jul-Sep 2011 Rupees	Jul-Sep 2010 Rupees
9- TAXATION			
Current			
For the period		14,510,324	9,705,984
Deferred			
For the period		(516,177)	147,926
		13,994,148	9,853,909
10- EARNINGS PER SHARE BASIC AND DILUTED			
Basic Earnings Per Share			
Net profit for the period attributable to ordinary share holders	Rupees	25,370,884	16,747,050
Number of ordinary shares outstanding at the end of the period - Note 10.1	Number	17,972,368	17,972,368
Earnings per share	Rupees	1.41	0.93
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".			
		Jul-Sep 2011 Rupees	Jul-Sep 2010 Rupees
11- SEGMENT RESULTS			
Segment Revenue -Net			
Home Appliances		7,688,912	459,712
Auto Parts		29,200,242	91,260,267
Auto Rickshaw		561,729,873	385,655,759
Total		598,619,027	477,375,738

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	Jul-Sep 2011 Rupees	Jul-Sep 2010 Rupees
Segment operating results		
Home Appliances	756,098	60,964
Auto Parts	(96,126)	5,050,269
Auto Rickshaw	44,629,130	27,415,465
Total	45,289,102	32,526,698

12- GENERAL

12.1-The Board of Directors of the Company has authorized these financial statements for issue on October 15, 2011.

12.2-The excess production of Auto-Rickshaw over normal capacity is due to working on over-time schedule to meet increased demand

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


MIAN ASAD HAMEED
 CHIEF EXECUTIVE


SAEED IQBAL KHAN
 DIRECTOR