

SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

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, 2012.

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, 2012 Number	June 30, 2012 Number		September 30, 2012 Rupees	June 30, 2012 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
<u>17,972,368</u>	<u>17,972,368</u>		<u>179,723,680</u>	<u>179,723,680</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	Sep 30, 2012 Rupees	Sep 30, 2011 Rupees
Confirmed letters of credit for:		
Other than capital expenditure	31,435,234	62,211,308
	<u>31,435,234</u>	<u>62,211,308</u>

5- TRANSACTIONS WITH RELATED PARTIES

Key management personnels -		
Salaries and other employees benefits	<u>8,212,335</u>	<u>7,506,280</u>

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	Note	Sep 30, 2012 Rupees	June 30, 2012 Rupees
6- PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets-Tangible	6.1	230,559,249	222,703,925
Capital work in progress		6,972,805	6,822,805
Advance for assets subject to finance lease		4,821,000	9,500,000
Receivable under insurance claim		-	1,679,000
		<u>242,353,053</u>	<u>240,705,730</u>
6.1-OPERATING FIXED ASSETS-TANGIBLE			
Opening book value		222,703,925	233,840,926
Add: Additions during the period:		<u>12,142,810</u>	<u>9,211,234</u>
		234,846,735	243,052,160
Less: depreciation charged during the period		4,287,486	16,967,597
deletions during the period		-	3,380,638
		<u>4,287,486</u>	<u>20,348,235</u>
Closing book value		<u>230,559,249</u>	<u>222,703,925</u>
7- INTANGIBLE ASSETS			
Opening book value		501,874	551,481
Add: additions during the period		<u>30,000</u>	<u>107,000</u>
		531,874	658,481
Less: amortization charged during the period		41,242	156,607
Closing book value		<u>490,632</u>	<u>501,874</u>
8- SALES - NET		Jul-Sep 2012 Rupees	Jul-Sep 2011 Rupees
Gross sales	8.1	518,971,452	708,820,025
Less: Sales tax		71,431,648	97,753,490
Sales returns		588,534	1,648,884
Commission		6,513,448	10,798,624
		<u>78,533,630</u>	<u>110,200,998</u>
		<u>440,437,822</u>	<u>598,619,027</u>

8.1- This includes Rs. 1.21 million (September 30, 2011: Rs. Nil on account of export sales.)

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		Jul-Sep 2012 Rupees	Jul-Sep 2011 Rupees
9- TAXATION			
Current			
For the period		6,126,594	14,510,324
Deferred			
For the period		2,029,911	(516,177)
		<u>8,156,505</u>	<u>13,994,148</u>
10- EARNINGS PER SHARE-BASIC AND DILUTED			
Basic Earnings Per Share			
Net profit for the period attributable to ordinary share holders	Rupees	8,471,531	25,370,884
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	0.47	1.41
		Jul-Sep 2012 Rupees	Jul-Sep 2011 Rupees
11- SEGMENT RESULTS			
Segment Revenue -Net			
Home Appliances		2,658,648	7,688,912
Auto Parts		79,287,979	29,200,242
Auto Rickshaw		358,491,195	561,729,873
Total		<u>440,437,822</u>	<u>598,619,027</u>
Segment operating results			
Home Appliances		(175,973)	756,098
Auto Parts		3,068,259	(96,126)
Auto Rickshaw		18,584,356	44,629,130
Total		<u>21,476,642</u>	<u>45,289,102</u>

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12- GENERAL

12.1-The Board of Directors of the Company has authorized these financial statements for issue on October 20, 2012.

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR