

**SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE CONDENSED ACCOUNTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009**

1- LEGAL STATUS AND OPERATIONS

The Company was incorporated in Pakistan on September 21, 1991 as a Private Limited Company under the Companies Ordinance, 1984 and converted into a Public Limited Company on November 21, 1994. The Company is listed on all the Stock Exchanges of Pakistan. The Company is engaged in the manufacture and sale of automobiles, automotive parts and household electric appliances.

2- 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.

3- 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.

4- ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

March 31, 2009	June 30, 2008		March 31, 2009	June 30, 2008
Number	Number		Rupees	Rupees
7,163,000	7,163,000	Ordinary shares of Rupees 10 each fully paid up in cash	71,630,000	71,630,000
3,237,676	1,504,230	Ordinary shares of Rupees 10 each allotted as bonus shares	32,376,760	15,042,300
<u>10,400,676</u>	<u>8,667,230</u>		<u>104,006,760</u>	<u>86,672,300</u>

5- 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	23,037,719	11,877,821
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	Note	Mar 31, 2009 Rupees	June 30, 2008 Rupees
6- PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets-Tangible	6.1	221,572,746	185,395,421
Capital work in progress		2,659,028	19,547,881
Advance for purchase of land		-	5,000,000
		<u>224,231,774</u>	<u>209,943,302</u>
6.1-OPERATING FIXED ASSETS-TANGIBLE			
Opening book value		185,395,421	108,883,983
Add: Additions during the period:			
- Land		21,609,700	46,928,750
- Building		6,675,167	10,933,804
- Plant and machinery		19,156,832	17,625,838
- Electric fittings		563,051	2,212,687
- Furniture and fixture		188,900	421,310
- Office equipments		38,000	469,717
- Electric installations		124,820	480,868
- Vehicles		-	10,334,734
		<u>48,356,470</u>	<u>89,407,708</u>
		233,751,891	198,291,692
Less: depreciation charged during the period deletions during the period (WDV)		<u>11,656,034</u> 523,111	12,404,480 491,791
		12,179,145	12,896,271
Closing book value		<u>221,572,746</u>	<u>185,395,421</u>
7- INTANGIBLE ASSETS			
Opening book value		1,724,401	2,346,539
Less: amortization charged during the period		464,667	622,138
Closing book value		<u>1,259,734</u>	<u>1,724,401</u>

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	Jan-Mar 2009 Rupees	Jan-Mar 2008 Rupees	Jul-Mar 2009 Rupees	Jul-Mar 2008 Rupees
8- SALES - NET				
Gross sales	326,183,332	655,141,830	733,556,413	1,437,383,264
Less: Sales tax	44,974,273	85,453,282	101,075,548	187,484,771
Sales returns	3,226,583	11,196,879	14,417,120	13,245,166
	48,200,856	96,650,161	115,492,668	200,729,937
	277,982,476	558,491,669	618,063,745	1,236,653,327
Less: Commission	2,954,383	36,548,458	7,608,287	80,830,638
Net Sales	<u>275,028,093</u>	<u>521,943,211</u>	<u>610,455,458</u>	<u>1,155,822,689</u>
9- COST OF SALES				
Raw materials and components consumed	178,789,561	350,060,393	447,604,189	758,308,854
salaries, wages and other benefits	16,165,400	20,280,362	54,499,049	55,347,473
Stores, spares and loose tools consumed	3,159,239	6,912,030	8,733,713	12,457,347
Power and fuel charges	6,741,367	7,453,862	17,382,853	18,524,797
Repair and maintenance	3,617,490	4,276,207	14,455,272	12,028,429
Other expenses	827,689	1,538,038	3,196,928	4,108,946
Depreciation & Amortisation	3,540,671	2,342,226	9,759,706	6,919,484
	212,841,418	392,863,118	555,631,711	867,695,330
Opening work-in-process	21,809,698	11,722,732	16,247,744	26,663,717
Closing work-in-process	(16,979,729)	(11,228,374)	(16,979,729)	(11,228,374)
Cost of goods manufactured	217,671,387	393,357,476	554,899,726	883,130,673
Opening finished goods	55,711,741	3,975,769	8,035,421	14,311,987
Cost of finished goods purchased during the period	-	-	9,579,580	2,655,700
Closing finished goods	(37,023,867)	(9,700,421)	(37,023,867)	(9,700,421)
	<u>236,359,261</u>	<u>387,632,824</u>	<u>535,490,860</u>	<u>890,397,939</u>
10- TAXATION				
Current				
For the period	944,225	35,160,590	944,225	66,052,235
Prior year	2,695,335	-	2,695,335	-
Deferred				
For the period	332,160	1,287,938	4,446,535	2,250,134
	<u>3,971,720</u>	<u>36,448,528</u>	<u>8,086,095</u>	<u>68,302,369</u>

10.1 This balance represents an amount paid as additional tax in respect of order passed by DCIT u/s 205 (1B) of the Income Tax Ordinance, 2001. The Company is in appeal against this order.

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11- EARNINGS PER SHARE

	Jan-Mar 2009	Jan-Mar 2008	Jul-Mar 2009	Jul-Mar 2008
Basic earnings per share				
Net profit for the period attributable to ordinary share holders	Rupees 12,475,219	66,793,463	8,103,222	126,417,543
Number of ordinary shares outstanding at the end of the period - Note 11.1	Numbers 10,400,676	10,400,676	10,400,676	10,400,676
Earnings per share	Rupees 1.20	6.42	0.78	12.15

11.1- Number of ordinary shares outstanding at the close of corresponding periods presented have been increased to reflect the bonus shares issued during the nine month period ended March 31, 2009.

Diluted earnings per share

There is no dilution effect on the basic earnings per share of the company as the company has no such commitments.

Jan-Mar 2009	Jan-Mar 2008	Jul-Mar 2009	Jul-Mar 2008
Rupees	Rupees	Rupees	Rupees

11- SEGMENT RESULTS

	Jan-Mar 2009	Jan-Mar 2008	Jul-Mar 2009	Jul-Mar 2008
Segment Revenue-Net				
Home appliances	1,771,196	1,106,121	4,971,300	5,868,172
Auto parts	95,366,699	60,456,226	258,658,919	178,251,805
Auto rickshaw	177,890,198	460,380,864	346,825,239	971,702,712
Total	<u>275,028,093</u>	<u>521,943,211</u>	<u>610,455,458</u>	<u>1,155,822,689</u>
Segment operating results				
Home appliances	84,631	(60,567)	337,862	221,866
Auto parts	11,007,892	1,048,205	35,202,593	10,822,163
Auto rickshaw	11,205,354	113,053,854	(4,900,532)	206,479,769
Total	<u>22,297,877</u>	<u>114,041,492</u>	<u>30,639,924</u>	<u>217,523,798</u>

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13- GENERAL

13.1-The Board of Directors of the Company has authorized these financial statements for issue on April 29, 2009

13.2-The figures have been rounded off to the nearest Rupce.


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR