

Quarterly Financial Statements
(Un-Audited)
September 30, 2021



S A Z G A R
Engineering Works Limited

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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Vision

Dynamic, Quality Conscious and Ever Progressive

Mission

- To be market leader in providing safe, economical, durable, comfortable and environment friendly means of transportation of international quality at competitive prices
- To achieve market leadership in automotive wheel-rims of all types and sizes
- Grow through innovation of new products and
- Give higher return to the stakeholders.

Corporate Strategy

Achieve optimal performance in production and sale; continuously add value added products at competitive prices by maintaining "quality" as core element; focus on customers' satisfaction regarding sale, spares and service; explore new markets and enhance customers base; ensure right usage of company's resources; create employment opportunities; protect the interest of stakeholders; and be a part of the country's development.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Saira Asad Hameed
Chairperson/Non-Executive Director

Mr. Mian Asad Hameed
Chief Executive

Mr. Saeed Iqbal Khan
Executive Director

Mr. Mian Muhammad Ali Hameed
Executive Director

Mrs. Sana Suleyman
Non-Executive Director

Mr. Humza Amjad Wazir
Non-Executive Director

Mr. Umair Ejaz
Independent Director

Mr. Sardar Ejaz Ishaq Khan
Independent Director

Mr. Taha Mahmood
Independent Director

COMPANY SECRETARY

Mr. Arshad Mahmood - FCA

CHIEF FINANCIAL OFFICER

Mr. Muhammad Atif Rao

REGISTERED OFFICE

88 - Ali Town, Thokar Niaz Baig,
Raiwind Road, Lahore, Pakistan.
www.sazgarautos.com

SHARE REGISTRAR

Corp Tec Associates (Pvt.) Limited
503-E, Johar Town, Lahore.
Ph# 042-35170336-37
Fax# 042-35170338

FACTORY

Unit-1 Located at 18-KM Raiwind Road, Lahore, Pakistan.
Unit-2 Located at Western Tank Link Road, near Ijtimah
Chowk, Sundar Road, Raiwind, Lahore, Pakistan.

AUDIT COMMITTEE

Mr. Umair Ejaz
Chairman

Mr. Taha Mahmood
Member

Mrs. Sana Suleyman
Member

Mr. Arshad Mahmood
Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Taha Mahmood
Chairman

Mr. Mian Asad Hameed
Member

Mr. Humza Amjad Wazir
Member

Mr. Umair Ejaz
Member

Mr. Arshad Mahmood
Secretary

NOMINATION COMMITTEE

Mr. Mian Asad Hameed
Chairman

Mr. Humza Amjad Wazir
Member

Mr. Saeed Iqbal Khan
Member

Mr. Arshad Mahmood
Secretary

RISK MANAGEMENT COMMITTEE

Mr. Umair Ejaz
Chairman

Mr. Taha Mahmood
Member

Mr. Mian Muhammad Ali Hameed
Member

Mr. Arshad Mahmood
Secretary

AUDITORS

H.Y.K & Co.
Chartered Accountants

BANKERS

Allied Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Habib Bank Limited
Meezan Bank Limited
United Bank Limited - Ameen
Bank Al - Habib Limited
MCB Islamic Bank Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank



ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2021 تک مکمل ہونے والی پہلی سرمایہ کے لئے کمپنی کے معاملات پر بخوشی اپنا جائزہ پیش کرتے ہیں۔

مختصر جائزہ:

اللہ تعالیٰ کے فضل و کرم سے، کمپنی نے اس سرمایہ کے دوران "BAIC" برانڈ کی مسافر اور آف روڈ گاڑیوں کی تجارتی پیداوار شروع کر دی ہے، تاہم، کمپنی کو چین سے زبردستی جمع شدہ کھپ کی وجہ سے درآمد شدہ بمبیریل اور اجزاء کی سپلائی چین میں مشکلات کا سامنا ہے۔ اس لئے، نئی اگال پیداوار اپنی کم از کم سطح پر ہے جو کہ اجزاء کی سپلائی چین میں بہتری آنے کے مطابق بڑھے گی۔

کمپنی نے مسافر گاڑیوں "HAVAL" برانڈ کی ٹیسٹ مارکیٹنگ بھی شروع کر دی ہے اور صارفین جو کہ مصنوعات کے معیار، خصوصیات اور پائیداری کے بارے میں کافی مطمئن ہیں کی طرف سے بہت حوصلہ افزا جواب ملا ہے۔

مالیاتی نتائج:

اس سرمایہ میں کمپنی کی مجموعی فروخت 93.09 فی صد اضافہ کے ساتھ پچھلے مالیاتی سال کی سرمایہ کے مقابلہ میں 968.32 ملین روپے سے بڑھ کر 1869.75 ملین روپے ہو گئی ہے، مجموعی منافع 111.71 فی صد اضافہ کے ساتھ 92.54 ملین روپے سے بڑھ کر 195.91 ملین روپے ہو گیا ہے، قبل از ٹیکس منافع 296.92 فی صد اضافہ کے ساتھ 30.15 ملین روپے سے بڑھ کر 119.62 ملین روپے ہو گیا ہے اور آمدنی فی حصص (restated) 0.47 روپے سے بڑھ کر 1.34 روپے ہو گئی ہے۔ فورویئرڈ ریٹول درآمد شدہ گاڑیوں کی مجموعی فروخت 987.37 ملین روپے تھری ویلر 715.60 ملین روپے اور ڈیڑھ ٹریلر 166.77 ملین روپے پر مشتمل ہے۔

فورویئرڈ تھری ویلر اور ڈیڑھ ٹریلر کی پیداوار اور فروخت کے حجم کا خلاصہ ذیل میں دیا گیا ہے:-

تفصیل	پونڈ / پینائٹس	پہلی سرمایہ 2021-22	پہلی سرمایہ 2020-21	پڑھوڑی (کی) فی صد
		فروخت	پیداوار	فروخت
فورویلر	نمبر	36	8	100 فی صد
تھری ویلر	نمبر	3,930	3,243	108 فی صد (16.80)
ڈیڑھ ٹریلر	نمبر	20,348	18,751	108 فی صد (25.08)
			24,158	25,029

صوبائی حکومت کی جانب سے اعلان کردہ سمارٹ لاک ڈاؤن نے مارکیٹ کے اہم حصہ کو متاثر کیا جس کی وجہ سے تھری ویلر کی فروخت میں کمی ہوئی۔ جیکو ڈیڑھ ٹریلر کی جانب سے کم آرڈر کی وجہ سے ویلر کی فروخت میں کمی ہوئی۔

مستقبل پر نقطہ نظر:

اسٹیٹ بینک آف پاکستان کی جانب سے تجارتی خسارے کو کنٹرول کرنے کے لئے 1000cc سے زائد انجن کی مقامی طور پر تیار کردہ اسٹیل شدہ گاڑیوں کے لئے عائد کردہ کچھ آٹو ٹرانسنگ پابندیوں کی وجہ سے آئیٹیکری ترقی متاثر ہو سکتی ہے۔

کمپنی اگلی سرمایہ تھری ویلر کے فروخت حجم میں اضافہ کی توقع رکھتی ہے۔ ڈیڑھ ٹریلر کی فروخت میں بھی اضافہ ہو رہا ہے جو کہ ڈیڑھ ٹریلر سے ڈیڑھ ٹریلر میں اضافے کا باعث بنے گا۔

غیر ملکی کرنسیوں کے مقابلہ میں پاکستانی روپے کی قدر میں مسلسل کمی کی منافع پر مبنی اثر ڈال سکتی ہے۔

ڈائریکٹرز کمپنی کے ملازمین کی اہمیت کو پیش نظر رکھتے ہوئے، انہیں مناسب اور گن گن جس کا اظہار انہوں نے موجودہ عرصہ کے دوران کیا ہے، کے شکر گزار ہیں۔ وہ اپنے معزز حصص داران، گاہکوں، سپلائرز اور مالی اداروں کے کمپنی کے ساتھ مسلسل تعاون کرنے پر بھی شکر گزار ہیں۔

یورڈ آف ڈائریکٹرز کی جانب سے

سعید اقبال خان

ڈائریکٹر

میاں اسد حمید

چیف ایگزیکٹو

لاہور

مورخہ 27 اکتوبر 2021

DIRECTORS' REVIEW

The directors of your Company are pleased to present their review on the affairs of the Company for the first quarter ended September 30, 2021.

Brief Overview:

By the Grace of Almighty Allah, the Company has started commercial production of passenger and off-road vehicles under brand "BAIC" during this quarter, however, the Company is facing disturbed supply chain of imported material and components due to backlog of pending shipments from China. Therefore, presently the production is at its minimal level which will increase in accordance with the improvement in supply chain of components.

The Company has also started test marketing of passenger vehicles under brand "HAVAL" and received very encouraging response from the customers who are much satisfied about the quality, features and durability of the products.

Financial Results:

During this quarter, the Company's net sale has increased by 93.09% from Rs. 968.32 M to Rs. 1869.75 M, gross profit by 111.71% from Rs. 92.54 M to Rs. 195.91 M, pretax profit by 296.92% from Rs. 30.15 M to Rs. 119.62 M and earnings per share from Rs. 0.47 (restated) to Rs. 1.34 as compared to the corresponding period of last financial year. The sale is comprised of Rs. 987.37 M of Four Wheeler including sale of imported vehicles, Rs. 715.60 M of Three Wheeler and Rs. 166.77 M of tractor wheel rims.

The summary of production and sales volume of four wheeler, three wheeler and tractor wheel rims is given below:

Description	U/M	First Quarter 2021-22		First Quarter 2020-21		Increase / (Decrease) %	
		Production	Sale	Production	Sale	Production	Sale
Four Wheeler	No.	36	8	-	-	100%	100%
Three Wheeler	No.	3,930	3,243	3,888	3,898	1.08%	(16.80%)
Tractor Wheel Rims	No.	20,348	18,751	24,158	25,029	(15.77%)	(25.08%)

The sale of three wheeler was reduced due to smart lockdown announced by provincial government in some areas carrying major market share whereas sale of tractor wheel rims was dropped due to decrease in orders from the tractor assemblers.

Future Outlook:

The auto sector growth may be adversely affected due to some auto financing restrictions imposed by State Bank of Pakistan for the locally manufactured/ assembled vehicles of more than 1000cc engine capacity to control the trade deficit.

The Company expects the increase in sale volume of three wheeler in the next quarter. The Tractors' sale is also increasing which will stimulate the increase in orders of tractor wheel rims from the tractor assemblers.

The constant devaluation of Pak Rupee against foreign currencies may adversely affect the profitability of the Company in the future period.

The directors would like to place on record their appreciation for the untiring efforts, teamwork and dedication shown by the company's employees during the period under review. They would also like to express their gratitude to the valued shareholders, customers, suppliers and financial institutions for their co-operation, constant support and trust on the Company.

For and on behalf of the Board

Lahore
Dated: 27-10-2021


Mian Asad Hameed
(Chief Executive)


Saeed Iqbal Khan
(Director)



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2021

	Note	Un-audited	Audited
		September 30, 2021	June 30, 2021
		Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	4.1	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital	4.2	464,968,950	464,968,950
Capital reserve - Share premium account		557,406,192	557,406,192
Revenue reserve - Un-appropriated Profit		879,575,821	817,476,633
		1,901,950,963	1,839,851,775
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financing		367,526,356	295,398,663
Deferred liabilities		256,464,319	244,891,848
Deferred Grant		3,911,199	5,699,176
CURRENT LIABILITIES			
Trade and other payables		2,194,177,331	2,008,188,102
Unclaimed dividend		1,407,358	1,407,358
Profit accrued on loans and other payables		2,024,826	8,998,064
Short term borrowings		161,406,279	119,679,608
Current portion of long term liabilities		135,242,187	134,125,605
		2,494,257,981	2,272,398,737
CONTINGENCIES AND COMMITMENTS			
	5	-	-
TOTAL EQUITY AND LIABILITIES		5,024,110,818	4,658,240,199
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	2,010,027,644	1,844,421,043
Intangible assets	7	358,174	382,691
Long term loan and advances		28,674,371	28,959,063
Long term deposits		4,210,855	4,045,855
Deferred taxation		84,324,946	54,931,308
CURRENT ASSETS			
Stores, spares and loose tools		8,213,457	3,278,289
Stock-in-trade		1,267,892,298	817,897,347
Trade debts		113,499,809	116,923,695
Loans & advances		63,503,970	31,012,216
Trade deposits and short term prepayments		1,250,424,785	1,625,987,971
Other receivables		159,014,349	115,423,629
Cash and bank balances		33,966,160	14,977,092
		2,896,514,828	2,725,500,239
TOTAL ASSETS		5,024,110,818	4,658,240,199

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MIAN ASAD HAMEED
CHIEF EXECUTIVE

SAEED IQBAL KHAN
DIRECTOR

MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Note	First Quarter Ended	
		September 30, 2021	September 30, 2020
		Rupees	Rupees
Sales - Net	8	1,869,745,391	968,323,152
Cost of sales	9	1,673,830,659	875,782,625
Gross Profit		195,914,732	92,540,527
Distribution cost		28,553,243	26,971,566
Administrative expenses		36,134,742	30,547,132
Other operating expenses		6,304,768	1,803,408
		70,992,753	59,322,106
		124,921,979	33,218,421
Other income		1,765,312	6,452,849
Operating profit before finance cost		126,687,291	39,671,270
Finance cost		7,035,725	9,526,209
Profit before taxation		119,651,566	30,145,061
Taxation	10	57,552,378	8,298,091
Profit after taxation		62,099,188	21,846,970
Earnings per share - Basic and diluted	11	1.34	Restated 0.47

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	First Quarter Ended	
	September 30, 2021	September 30, 2020
	Rupees	Rupees
PROFIT AFTER TAXATION FOR THE PERIOD	62,099,188	21,846,970
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	62,099,188	21,846,970

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MIAN ASAD HAMEED
CHIEF EXECUTIVE

SAEED IQBAL KHAN
DIRECTOR

MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Share Capital Rupees	Share Premium Account Rupees	Un-appropriated Profit Rupees	Total Rupees
Balance as at June 30, 2020 - Audited	357,668,420	557,406,192	853,884,500	1,768,959,112
Comprehensive Income for the period				
Profit after taxation	-	-	21,846,970	21,846,970
Other Comprehensive Income / (Loss)	-	-	-	-
Total comprehensive income for the period ended September 30, 2020	-	-	21,846,970	21,846,970
Balance as at September 30, 2020 - Un-audited	<u>357,668,420</u>	<u>557,406,192</u>	<u>875,731,470</u>	<u>1,790,806,082</u>
	Share Capital Rupees	Share Premium Account Rupees	Un-appropriated Profit Rupees	Total Rupees
Balance as at June 30, 2021 - Audited	464,968,950	557,406,192	817,476,633	1,839,851,775
Comprehensive Income for the period				
Profit after taxation	-	-	62,099,188	62,099,188
Comprehensive Income / (Loss)	-	-	-	-
Total comprehensive income for the period ended September 30, 2021	-	-	62,099,188	62,099,188
Balance as at September 30, 2021 - Un-audited	<u>464,968,950</u>	<u>557,406,192</u>	<u>879,575,821</u>	<u>1,901,950,963</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

MIAN ASAD HAMEED
CHIEF EXECUTIVE

SAEED IQBAL KHAN
DIRECTOR

MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

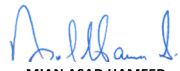


SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	First Quarter Ended	
	September 30, 2021	September 30, 2020
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	119,651,566	30,145,061
Adjustment for non cash charges and other items:		
Depreciation	17,640,457	5,342,985
Amortization	24,517	7,454
Provision for staff retirement gratuity	12,977,882	9,703,198
Finance cost	7,035,725	9,526,209
Other income	(1,765,312)	(6,452,849)
	35,913,269	18,126,997
	155,564,835	48,272,058
Working capital changes		
(Increase)/Decrease in current assets		
Store, spares and loose tools	(4,935,168)	(178,355)
Stock-in-trade	(449,994,951)	48,742,059
Trade debts	3,423,886	13,064,674
Loans & Advances	(32,491,754)	(10,135,631)
Trade Deposits and short term prepayments	375,563,186	(87,530,019)
Other receivables	-	1,999,445
(Decrease) / Increase in current liabilities		
Trade and other payables	129,886,068	179,457,442
Increase in Long term loans and advances	284,692	(3,879,383)
	21,735,959	141,540,232
	177,300,794	189,812,290
Cash generated from operations		
Finance cost paid	(14,008,963)	(25,008,171)
Income tax paid/deducted at source	(74,041,240)	(10,342,734)
Employees retirement benefit - gratuity paid	(1,405,411)	(695,067)
	87,845,180	153,766,318
NET CASH USED IN OPERATING ACTIVITIES		
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(183,506,778)	(169,835,703)
Increase in long term deposits	(165,000)	-
Proceeds from sale of property, plant and equipment	1,205,000	2,000,000
Net cash used in investing activities	(182,466,778)	(167,835,703)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term financing	105,954,089	99,319,590
Repayment of long term financing	(34,497,791)	(1,500,000)
Proceeds from short term borrowings	1,000,003,024	181,560,579
Repayment of short term borrowings	(958,276,353)	(181,560,579)
Repayment of lease liability	-	(21,100,000)
Profit on bank deposits	427,696	5,586,327
Dividend paid	-	(21,460)
Net cash generated from financing activities	113,610,666	82,284,457
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,989,068	68,215,072
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	14,977,092	448,819,055
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	33,966,160	517,034,127

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

Sazgar Engineering Works Limited was incorporated in Pakistan on September 21, 1991 as a Private Limited Company and converted into a Public Limited Company on November 21, 1994. The Company is listed on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacture and sale of automobiles, automotive parts and household electric appliances. The registered office of the company is situated at 88- Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore. The three wheeler, wheel rim and household electric appliances manufacturing facility is located at 18 K.m Raiwind Road, Lahore and four wheeler manufacturing facility is situated at Western Tank Link Road, Near Ijtimah Chowk, Sundar Road, Raiwind, Lahore.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements (un-audited) of the Company for the three months ended September 30, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of; International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017 (the "Act"). Where the provisions of and directives issued under the Companies Act, 2017 (the "Act") differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 (the "Act") have been followed.

2.2 These condensed interim financial statements (un-audited) are being submitted to the shareholders as required by section 237 of The Companies Act, 2017 (the "Act").

2.3 These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2021.

2.4 FINANCIAL RISK MANAGEMENT, FINANCIAL INSTRUMENTS AND ACCOUNTING ESTIMATES AND JUDGMENTS

2.4.1 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2021.

2.4.2 Fair Value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair value.

2.4.3 Accounting Estimates and judgments

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended June 30, 2021.

2.5 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

3 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

3.1 The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2021.

3.2 Certain standards, amendments and interpretations of approved accounting standards will be effective for accounting periods but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

4 SHARE CAPITAL

4.1 AUTHORIZED SHARE CAPITAL

Un-audited September 30, 2021 Number	Audited June 30, 2021 Number	NOTE	Un-audited September 30, 2021 Rupees	Audited June 30, 2021 Rupees
100,000,000	100,000,000	Ordinary shares of Rupees 10 each	1,000,000,000	1,000,000,000

4.2 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

21,363,000	21,363,000	ordinary shares of Rupees 10/- each fully paid up in cash.	213,630,000	213,630,000
25,133,895	25,133,895	ordinary shares of Rupees 10/- each allotted as bonus shares.	251,338,950	251,338,950
46,496,895	46,496,895		464,968,950	464,968,950

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no significant change in contingencies from the preceding annual published financial statement of the Company for the year ended June 30, 2021.

5.2 Commitments

- 5.2.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 613.87 Million (June 30, 2021: Rs. 145.93 Million).
- 5.2.2 Commitments in respect of capital expenditures amount to Rs. 348.84 Million (June 30, 2021: Rs. 93.69 Million).

6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - Tangible	6.1	1,821,935,158	344,171,829
Capital work in progress	6.2	130,092,486	1,454,249,214
Advance for purchase of land		58,000,000	46,000,000
		2,010,027,644	1,844,421,043

6.1 OPERATING FIXED ASSETS - Tangible

Opening book value	344,171,829	335,796,920
Add:		
Additions during the period (at cost)		
- Building and civil works on leasehold land	402,835,059	-
- Plant and machinery	1,037,850,092	1,365,000
- Office equipments	229,567	1,205,900
- Electric installations	45,213,788	409,604
- Vehicles	9,535,000	28,572,932
	1,495,663,506	31,553,436



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	NOTE	Un-audited September 30, 2021 Rupees	Audited June 30, 2021 Rupees
Less:			
Disposal during the period (at net book value)			
- Vehicles		259,720	1,381,069
Depreciation charged during the period		17,640,457	21,797,458
		17,900,177	23,178,527
Closing book value		1,821,935,158	344,171,829
6.2 CAPITAL WORK IN PROGRESS			
Opening Balance		1,454,249,214	982,535,886
Additions during the period			
- Plant and machinery		157,267,211	453,843,428
- Building and Civil Works on freehold land		-	18,211,151
		157,267,211	472,054,579
Less Transferred to fixed assets during the period			
- Plant and machinery		1,033,375,092	
- Building and Civil Works on freehold land		448,048,847	
- Intangible Assets		-	341,251
		1,481,423,939	341,251
Closing Balance		130,092,486	1,454,249,214
7 INTANGIBLE ASSETS			
Opening book value		382,691	76,944
Add: additions during the period		-	341,251
		382,691	418,195
Less: amortization charged during the period		24,517	35,504
Closing book value		358,174	382,691
		Un-audited July - Sep 2021 Rupees	Un-audited July - Sep 2020 Rupees
8 SALES - NET			
Gross sales	8.1	2,355,347,957	1,271,038,966
Less: Sales tax		335,762,140	169,458,612
Federal Excise Duty		802,355	-
Sales returns		112,346,062	108,238,644
Commission		36,692,009	25,018,558
		485,602,566	302,715,814
		1,869,745,391	968,323,152
8.1 This includes Rs. 14.35 million (September 30, 2020: Rs. 6.41 million) on account of export sales for the period.			
9 COST OF SALES			
Raw materials and components consumed		1,008,707,539	688,218,261
Salaries, wages and other benefits		103,902,042	91,270,632
Stores, spares and loose tools consumed		7,374,578	11,457,310
Power and fuel charges		32,357,682	17,675,776
Repair and maintenance		28,812,746	23,066,147
Other expenses		2,726,163	3,642,311
Depreciation & Amortization		15,055,376	2,918,642
		1,198,936,126	838,249,079
Opening work-in-process		31,392,103	30,553,475
Closing work-in-process		(44,464,371)	(19,627,719)
Cost of goods manufactured		1,185,863,858	849,174,835
Opening finished goods		232,678,793	222,905,224
Cost of finished goods purchased		997,691,133	-
Closing finished goods		(742,403,125)	(196,297,434)
		1,673,830,659	875,782,625
10 TAXATION			
Current			
For the period		86,946,017	15,075,671
Deferred			
For the period		(29,393,639)	(6,777,580)
		57,552,378	8,298,091



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

		Un-audited July - Sep 2021 Rupees	Un-audited July - Sep 2020 Rupees
11	EARNINGS PER SHARE - BASIC AND DILUTED		
	Basic Earnings Per Share		
	Profit after taxation for the period	62,099,188	21,846,970
	Weighted average number of ordinary shares outstanding during the period - Note 4.2	46,496,895	46,496,895
	Basic earnings per share	1.34	0.47
	11.1 Diluted earnings per share		
	A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2021 and September 30, 2020, which would have any effect on earning per share if the option to convert is exercised.		
12	TRANSACTIONS WITH RELATED PARTIES		
	Non-Executive Director (s)		
	Meeting fee	395,000	240,000
	Key Management Personnel		
	Remuneration, Allowances and benefits	18,778,347	15,358,750
	Other Executive		
	Remuneration, Allowances and benefits	1,636,250	1,200,000
13	SEGMENT RESULTS		
	Segment Revenue - Net		
	Home appliances	-	153,846
	Auto parts	166,774,089	170,374,749
	Auto rickshaw	715,597,662	775,516,780
	Automobiles - Four Wheeler	987,373,640	22,277,777
	Total	1,869,745,391	968,323,152
	Segment operating results		
	Home appliances	(25,480)	15,018
	Auto parts	4,768,816	4,162,674
	Auto rickshaw	37,500,199	42,906,099
	Automobiles - Four Wheeler	88,983,213	(12,061,963)
	Total	131,226,747	35,021,828
14	DATE OF AUTHORIZATION FOR ISSUE		
	The Board of Directors of the Company has authorized these condensed interim financial statements for issue on October 27, 2021.		
15	GENERAL		
	15.1	The figures have been rounded off to the nearest Rupee.	

MIAN ASAD HAMEED
CHIEF EXECUTIVE

SAEED IQBAL KHAN
DIRECTOR

MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



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