

Quarterly Accounts
(Un-Audited)
March 31, 2014



SAZGAR ENGINEERING WORKS LIMITED

SAZGAR ENGINEERING WORKS LIMITED



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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 services; 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.

SAZGAR ENGINEERING WORKS LIMITED

Company Information

BOARD OF DIRECTORS

Mrs. Saira Asad Hameed
Chairperson

Mr. Mian Asad Hameed
Chief Executive

Mr. Saeed Iqbal Khan
Non-Executive Director

Mr. Mian Muhammad Ali Hameed
Non-Executive Director

Mr. Mian Zafar Hameed
Non-Executive Director

Mrs. Amina Humza Wazir
Non-Executive Director

Mr. Muhammad Suleyman Khan
Independent Director

COMPANY SECRETARY

Arshad Mahmood - FCA

REGISTERED OFFICE

88 - Ali Town, Thokar Niaz Baig,
Raiwind Road, Lahore.

E-mail: sazgar@brain.net.pk
info@sazgarautos.com

Website: www.sazgarautos.com

SHARE REGISTRAR

Corp Tec Associates (Pvt.) Limited
503-E, Johar Town, Lahore.

Ph# 042-35170336-37

Fax# 042-35170338

FACTORY

18-KM, Raiwind Road, Lahore.

AUDIT COMMITTEE

Mr. Mian Muhammad Ali Hameed
Chairman

Mr. Mian Zafar Hameed
Member

Mr. Muhammad Suleyman Khan
Member

Mr. Arshad Mahmood
Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Muhammad Suleyman Khan
Chairman

Mr. Saeed Iqbal Khan
Member

Mrs. Amina Humza Wazir
Member

Mr. Arshad Mahmood
Secretary

AUDITORS

Kabani and Company
Chartered Accountants

BANKERS

Allied Bank Limited

National Bank of Pakistan

Bank Alfalah Limited

Faysal Bank Limited

Habib Bank Limited

The Bank of Punjab

Summit Bank Limited

NIB Bank

Meezan Bank Limited

DIRECTORS REVIEW

The directors of your Company are pleased to present their review on the affairs of the Company for the 3rd quarter ended March 31, 2014:

Financial Results:

By the Grace of Almighty Allah, the financial results of the Company for the period under review are showing a substantial improvement in the financial position of the company compared with the corresponding period of last year. Government efforts to improve law & order situation in the country has started impacting positively on the business activities. The appreciation in value of Pak-Rupee and reduction in fuel prices will further help to minimize the input costs and to improve the profitability of the company in future.

During the 3rd quarter, the net sales has increased from Rs. 445.328 M to Rs. 634.168 M, gross profit from Rs. 47.754 M to Rs. 64.949 M and pre-tax profit from Rs. 23.263 M to Rs. 37.494 M compared with corresponding period of last year.

Cumulatively for nine months, the net sales has increased from Rs.1.301 **Billion** to Rs. 1.598 **Billion**, gross profit from Rs. 139.746 M to Rs. 161.206 M and pre-tax profit from Rs.58.399 M to Rs. 75.999 M showing a rising trend in sales and profitability of the Company compared with the corresponding period of last year.

The increase in sales volume of auto rickshaw has contributed substantially to increase the gross sales revenue of the company. On the other hand sales volume of tractor wheel rims has dropped that has adversely affected the sales revenue and profitability of the company during the period under review.

During the 3rd quarter and cumulatively nine months, the Company produced 4,096 & 10,574 units of Auto Rickshaws whereas during the corresponding periods of last year, the production was 2,383 and 7,233 units respectively.

The increase in sales tax rate from 10% to 16% effective from January 01, 2014 has adversely affected the demand of tractors during the period under review. The production of wheel rims was 7,046 & 33,101 in 3rd quarter and cumulatively nine months whereas the production of wheel rims during the same corresponding periods was 14,029 & 50,652 respectively.

Future Outlook:

Your Company is positive about its future prospects and looking for further improvement in law & order situation of the country. Your company is closely watching the market conditions of the country and formulating its marketing policies accordingly. Your company is also continuing research and development work for the constant improvement of existing products and introduction of new models of auto rickshaw to remain ahead of the competition.

SAZGAR ENGINEERING WORKS LIMITED

It is expected that the rising trend of the sale of auto rickshaw will continue in the next period.

Regarding tractor wheel rims, the company is looking for a regaining of demand of tractors in the future, being an essential need of farmer.

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.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The directors' review has been signed by two Directors instead of Chairperson or Chief Executive as the Chairperson and Chief Executive are for the time being not in Pakistan.

For and on behalf of the Board

Lahore
Dated: 18-04-2014



Saeed Iqbal Khan
(Director)



Mian Muhammad Ali Hameed
(Director)

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2014

		Unaudited March 31, 2014 Rupees	Audited June 30, 2013 Rupees (Restated)	Audited June 30, 2012 Rupees (Restated)
	Note			
EQUITY AND LIABILITIES				
EQUITY				
Authorized share capital				
50,000,000 (June 2013: 50,000,000, June 2012: 50,000,000)				
ordinary shares of Rupees 10 each		500,000,000	500,000,000	500,000,000
Issued, subscribed and paid-up share capital	4	179,723,680	179,723,680	179,723,680
Revenue reserve - Un-appropriated Profit		393,214,489	377,922,599	335,751,310
		572,938,169	557,646,279	515,474,990
LIABILITIES				
NON CURRENT LIABILITIES				
Liabilities against assets subject to finance lease		3,815,258	6,512,635	6,132,763
Deferred Liabilities		87,628,109	83,057,525	67,496,802
CURRENT LIABILITIES				
Trade and other payables		314,192,483	300,974,821	323,163,158
Mark-up & Profit accrued on loans and other payables		49,582	523,237	1,437,379
Short term borrowings		8,773,311	16,776,763	35,830,932
Current portion of long term liabilities		5,435,396	5,017,469	4,654,851
Provision for Taxation		27,023,687	32,738,126	80,304,548
		355,474,460	356,030,415	445,390,868
CONTINGENCIES AND COMMITMENTS	5	-	-	-
TOTAL EQUITY AND LIABILITIES		1,019,855,995	1,003,246,855	1,034,495,423

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241 (2) OF THE COMPANIES ORDINANCE, 1984

These Financial Statements have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not for the time being in Pakistan.



SAEED IQBAL KHAN
DIRECTOR



MIAN MUHAMMAD ALI HAMEED
DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2014

		Unaudited March 31, 2014 RUPEES	Audited June 30, 2013 RUPEES (Restated)	Audited June 30, 2012 RUPEES (Restated)
Note				
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment	6	261,568,972	251,499,116	240,705,730
Intangible Assets	7	506,178	606,229	501,874
LONG TERM LOANS AND ADVANCES		6,910,396	5,494,369	5,127,433
LONG TERM DEPOSITS		1,657,137	1,657,137	1,137,137
CURRENT ASSETS				
Stores, spares and loose tools		6,102,963	4,564,708	7,401,603
Stock-in-trade		514,824,722	388,505,301	540,547,955
Trade debts		115,968,553	133,661,024	129,278,444
Loans & Advances		18,650,203	12,597,263	6,493,753
Trade Deposits and short term prepayments		39,930,677	32,027,746	17,335,215
Other Receivables		42,862,358	45,090,475	76,982,666
Cash and bank balances		10,873,837	127,543,489	8,983,613
		749,213,312	743,990,005	787,023,249
TOTAL ASSETS		1,019,855,995	1,003,246,855	1,034,495,423

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SAEED IQBAL KHAN
 DIRECTOR


MIAN MUHAMMAD ALI HAMEED
 DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2014

	Note	Third Quarter Ended		Nine Month Ended	
		March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2014 Rupees	March 31, 2013 Rupees
SALES - Net	8	634,168,342	445,328,414	1,598,282,419	1,300,509,113
COST OF SALES	9	569,219,530	397,574,794	1,437,076,740	1,160,762,823
GROSS PROFIT		64,948,812	47,753,620	161,205,679	139,746,290
DISTRIBUTION COST		11,569,901	10,069,975	39,351,746	32,126,443
ADMINISTRATIVE EXPENSES		13,203,081	11,653,694	37,943,909	39,040,190
OTHER OPERATING EXPENSES		2,861,913	2,096,789	6,081,432	5,266,928
		27,634,895	23,820,458	83,377,087	76,433,561
		37,313,917	23,933,162	77,828,593	63,312,729
OTHER INCOME		1,808,996	1,057,873	3,086,562	3,092,584
OPERATING PROFIT BEFORE FINANCE COST		39,122,913	24,991,035	80,915,155	66,405,313
FINANCE COST		1,628,981	1,728,276	4,915,660	8,006,455
PROFIT BEFORE TAXATION		37,493,932	23,262,759	75,999,495	58,398,858
TAXATION	10	13,213,612	8,113,271	24,762,870	24,520,515
PROFIT AFTER TAXATION		24,280,320	15,149,488	51,236,626	33,878,343
EARNINGS PER SHARE - BASIC AND DILUTED	11	1.35	0.84	2.85	1.89

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241 (2) OF THE COMPANIES ORDINANCE, 1984

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SAEED IQBAL KHAN
 DIRECTOR


MIAN MUHAMMAD ALI HAMEED
 DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2014

	Third Quarter Ended		Nine Month Ended	
	March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2014 Rupees	March 31, 2013 Rupees
PROFIT AFTER TAXATION FOR THE PERIOD	24,280,320	15,149,488	51,236,626	33,878,343
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>24,280,320</u>	<u>15,149,488</u>	<u>51,236,626</u>	<u>33,878,343</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241 (2) OF THE COMPANIES ORDINANCE, 1984

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SAEED IQBAL KHAN
DIRECTOR



MIAN MUHAMMAD ALI HAMEED
DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTH ENDED MARCH 31, 2014

	Nine Month Ended	
	March 31, 2014 Rupees	March 31, 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	75,999,495	58,398,858
Adjustment for non cash charges and other items:		
Depreciation	15,378,252	13,647,688
Amortization	165,551	140,248
Provision for gratuity	10,434,339	10,233,048
Financial and other charges	4,915,660	12,393,383
Other Income	(3,086,562)	(3,090,176)
	<u>27,807,239</u>	<u>33,324,191</u>
	103,806,734	91,723,049
Working capital changes		
(Increase)/Decrease in current assets		
Store, spares and loose tools	(1,538,255)	1,424,705
Stock-in-trade	(126,319,420)	184,937,638
Trade debts	17,692,471	(3,831,017)
Loans & Advances	(6,052,940)	(2,386,704)
Trade Deposits and short term prepayments	(7,902,931)	(13,418,262)
Increase/(Decrease) in current liabilities		
Trade and other payables	15,373,047	(127,307,997)
Increase in Long term loans and advances	(1,416,027)	(881,287)
	<u>(110,164,055)</u>	<u>38,537,076</u>
Cash (used in) / generated from operations	(6,357,321)	130,260,124
Finance cost paid	(5,389,314)	(8,722,509)
Income tax paid/deducted at source	(25,535,914)	(29,143,820)
Employees retirement benefit - Gratuity paid	(3,739,670)	(7,325,361)
Workers' Profit Participation Fund Paid	(5,180,758)	(10,527,810)
	<u>(46,202,978)</u>	<u>74,540,624</u>
Net cash (used in) / generated from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant and Equipment Purchased	(26,307,759)	(14,933,793)
Increase in long term deposits	-	(520,000)
Proceeds from sale of Property, Plant and Equipment	2,439,000	3,280,000
Security deposits with leasing companies	(370,275)	(1,020,150)
	<u>(24,239,034)</u>	<u>(13,193,943)</u>
Net cash used in investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	92,621,240	94,046,152
Repayment of short term borrowings	(100,624,695)	(116,594,850)
Repayment of finance lease	(2,279,450)	(4,154,004)
Dividend paid	(35,944,736)	(17,829,457)
	<u>(46,227,641)</u>	<u>(44,532,160)</u>
Net cash used in financing activities		
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(116,669,652)</u>	<u>16,814,521</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	127,543,489	8,983,613
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>10,873,837</u>	<u>25,798,134</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements

STATEMENT UNDER SECTION 241 (2) OF THE COMPANIES ORDINANCE, 1984

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SAEED IQBAL KHAN
 DIRECTOR


MIAN MUHAMMAD ALI HAMEED
 DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTH ENDED MARCH 31, 2014

	Share Capital Rupees	Un-appropriated Profit Rupees	Total Rupees
Balance as at June 30, 2012 (audited)	179,723,680	336,842,280	516,565,960
Effect of change in accounting policy - Note No. 14	-	(1,090,970)	(1,090,970)
Balance as on July 01, 2012 (re-stated)	179,723,680	335,751,310	515,474,990
Final Dividend for the year ended June 30, 2012 @ Re.1.00 per share	-	(17,972,368)	(17,972,368)
Total Comprehensive Income for the nine Month ended March 31, 2013	-	33,878,343	33,878,343
Balance as at March 31, 2013	179,723,680	351,657,285	531,380,965
Balance as at June 30, 2013 (audited)	179,723,680	385,376,950	565,100,630
Effect of change in accounting policy - Note No. 14	-	(7,454,351)	(7,454,351)
Balance as on July 01, 2013 (re-stated)	179,723,680	377,922,599	557,646,279
Final Dividend for the year ended June 30, 2013 @ Re.1.00 per share	-	(17,972,368)	(17,972,368)
Interim Dividend for the year ended June 30, 2014 @ Re.1.00 per share	-	(17,972,368)	(17,972,368)
Total Comprehensive Income for the nine Month ended March 31, 2014	-	51,236,626	51,236,626
Balance as at March 31, 2014	179,723,680	393,214,489	572,938,169

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241 (2) OF THE COMPANIES ORDINANCE, 1984

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SAEED IQBAL KHAN
 DIRECTOR


MIAN MUHAMMAD ALI HAMEED
 DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2014

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. The registered office of the company is situated at 88- Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore.

2 BASIS OF PREPARATION

These condensed interim financial statements (un-audited) of the Company for the nine month ended March 31, 2014 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed and are being submitted to the shareholders as required by section 245 of the Companies Ordinance 1984.

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 financial statements for the year ended June 30, 2013.

3 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year ended June 30, 2013 except as detailed below.

The Company operates an unfunded gratuity scheme for all its permanent employees. The provision is made on the basis of actuarial valuation by using the projected unit credit method. During the period company has changed its accounting policy for calculating its obligation in respect of a plan as per adoption of changes in IAS -19 (Revised) 'Employees Benefits'. Effective from July 01, 2013 the actuarial gains / losses are recognized directly to equity through the Statement of Other Comprehensive income. Previously actuarial gains or losses arising from experience adjustment and changes in actuarial assumptions in excess of 10% of the present value of the defined benefit obligation recognized in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognized. The description and the impacts of the change in accounting policy have been detailed in note 14. The revised accounting policy as a result of change in IAS-19 (Revised) ' Employees Benefits' is as follows;

DEFINED BENEFIT PLAN

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan.

The Company operates an unfunded gratuity scheme for all its permanent employees. The provision is made on the basis of actuarial valuation by using the projected unit credit method. In calculating the Company's obligation in respect of a plan, Any actuarial gains and losses are recognised immediately in the statement of other comprehensive income.

SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2014

4 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

March 31, 2014 Number	June 30, 2013 Number	Note	Unaudited March 31, 2014 Rupees	Audited June 30, 2013 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>

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, 2013, except the following;

A notice of income tax audit for tax year 2012 under section 177 of Income tax Ordinance 2001 has received during the period. The Company has filed a write petition against the notice in Lahore High Court, Lahore. As per lawyer's opinion favorable outcome is expected.

5.2 Commitments

Commitments in respect of:

		March 2014 Rupees	June 2013 Rupees	March 2014 Rupees	June 2013 Rupees
LIMIT Nos.	PARTICULARS	LIMITS AVAILABLE		LIMITS UTILIZED	
	Not Later Than one Year				
1	Foreign LC Sight / Inland LC- Gross	370,000,000	370,000,000	126,070,023	170,641,327
2	FATR -Sublimit of Limit No.1	88,000,000	88,000,000	8,773,311	16,776,763
3	Murabaha Sublimit of Limit no.2	40,000,000	40,000,000	8,810,422	29,196,874
4	Murabaha Sublimit of Limit no.1	40,000,000	40,000,000	-	7,594,883
5	Guarantee	8,040,000	8,040,000	-	-

6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1	249,567,929	235,207,254
Capital work in progress		12,001,043	12,773,212
Advance for assets subject to finance lease		-	1,886,500
Advance for purchase of owned vehicle		-	1,632,150
		<u>261,568,972</u>	<u>251,499,116</u>

6.1 OPERATING FIXED ASSETS - Tangible

Opening book value		235,207,254	222,703,925
Add:			
Additions during the period (at cost)			
- Building and Civil Works on Freehold Land		2,035,956	4,335,888
- Plant and machinery		14,196,160	9,227,766
- Electric fittings		-	45,500
- Furniture and fixture		-	41,000
- Office equipments		168,683	323,961
- Electric installations		-	1,115,703
- Vehicles		14,502,554	18,702,000
		<u>30,903,353</u>	<u>33,791,818</u>

SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2014

Less:

Disposal during the period (at net book value)

- Electric installations
- Vehicles

Depreciation charged during the period

Closing book value

27,439	43,959
1,136,988	2,700,079
15,378,252	18,544,451
16,542,679	21,288,489
249,567,929	235,207,254

7 INTANGIBLE ASSETS **Note**

Opening book value

Add: additions during the period

Less: amortization charged during the period

Closing book value

606,229	501,874
65,500	291,533
671,729	793,407
165,551	187,178
506,178	606,229

8 SALES - NET

Jan-Mar
2014
Rupees

Jan-Mar
2013
Rupees

Jul-Mar
2014
Rupees

Jul-Mar
2013
Rupees

Gross sales

Less: Sales tax

Sales returns

Commission

759,453,343

525,553,989

1,923,270,998

1,533,835,874

114,627,506

72,512,439

288,159,983

211,476,973

1,293,095

488,002

7,716,595

2,018,177

9,364,400

7,225,134

29,112,001

19,831,612

125,285,001

80,225,575

324,988,579

233,326,762

634,168,342

445,328,414

1,598,282,419

1,300,509,113

9 COST OF SALES

Raw materials and components consumed

Salaries, wages and other benefits

Stores, spares and loose tools consumed

Power and fuel charges

Repair and maintenance

Other expenses

Depreciation & Amortization

Opening work-in-process

Closing work-in-process

Cost of goods manufactured

Opening finished goods

Cost of finished goods purchased during the period

Closing finished goods

486,350,610

318,804,595

1,298,770,258

1,001,282,790

33,342,406

28,663,752

103,545,579

95,110,467

6,606,849

4,988,247

20,910,086

18,442,379

12,542,743

12,239,274

38,632,944

37,348,368

6,909,008

3,565,896

21,116,220

12,657,461

923,599

851,964

3,913,879

2,801,761

3,535,382

3,368,878

10,461,561

9,864,948

550,210,597

372,482,606

1,497,350,526

1,177,508,174

15,203,700

11,711,499

7,897,939

13,579,115

(15,472,165)

(9,773,019)

(15,472,165)

(9,773,019)

549,942,133

374,421,087

1,489,776,301

1,181,314,270

163,904,644

166,291,952

91,927,686

116,965,216

-

(59,233)

-

5,562,348

(144,627,247)

(143,079,011)

(144,627,247)

(143,079,011)

569,219,530

397,574,794

1,437,076,740

1,160,762,823

10 TAXATION

Current

For the period

Prior Year

Deferred

For the period

10.1

14,081,144

7,270,260

27,023,685

20,175,552

-

-

(136,730)

-

(867,532)

843,011

(2,124,085)

4,344,963

13,213,612

8,113,271

24,762,870

24,520,515

10.1 The rate of tax has decreased from 35% to 34% during the period.

SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2014

11 EARNINGS PER SHARE - BASIC AND DILUTED

Basic Earnings Per Share

Profit after taxation for the period - Rupees	24,280,320	15,149,488	51,236,626	33,878,343
Weighted average number of ordinary shares outstanding during the period - Note 4	17,972,368	17,972,368	17,972,368	17,972,368
Basic & diluted earnings per share - Rupees	1.35	0.84	2.85	1.89

12 TRANSACTIONS WITH RELATED PARTIES

Key management personnel's

Salaries and other employees benefits

Jul-Mar 2014 Rupees	Jul-Mar 2013 Rupees
26,206,801	24,545,025

13 SEGMENT RESULTS

	Jan-Mar 2014 Rupees	Jan-Mar 2013 Rupees	Jul-Mar 2014 Rupees	Jul-Mar 2013 Rupees
Segment Revenue				
Home appliances	3,871,193	3,350,443	4,116,217	12,503,199
Auto parts	28,104,680	85,590,036	168,255,536	275,151,775
Auto rickshaw	602,192,469	356,387,935	1,425,910,666	1,012,854,139
Total	634,168,342	445,328,414	1,598,282,419	1,300,509,113
Segment operating results				
Home appliances	(57,889)	(349,562)	(362,756)	(547,376)
Auto parts	(5,765,186)	4,086,804	(5,369,429)	14,282,501
Auto rickshaw	45,998,905	21,907,710	89,227,208	53,991,533
Total	40,175,832	25,644,952	83,495,025	67,699,658

14 CHANGE IN ACCOUNTING POLICY

The company has adopted IAS-19 (Revised) 'Employee Benefits' which is effective for accounting period beginning on or after January 01, 2013. Consequent to the changes in IAS-19 'Employee Benefits' The company is required to recognize all actuarial gain and losses directly to equity through the Statement of Other Comprehensive Income as these occur. The change in accounting policy has been accounted for retrospectively as required under International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and the comparative financial statements have been re-stated.

The effects of the retrospective application of the change in accounting policies are as follow:

June 30, 2013			June 30, 2012		
As previously reported	Restatement	As re-stated	As previously reported	Restatement	As re-stated
Amount in rupees			Amount in rupees		

Effect on balance sheet

Employees benefits	48,446,159	7,454,351	55,900,510	43,259,188	1,090,970	44,350,158
Un-appropriate profits	385,376,950	(7,454,351)	377,922,599	336,842,280	(1,090,970)	335,751,310

The company carries out the actuarial valuation on annual basis therefore, the effect of actuarial gain or loss on the condensed interim statement of comprehensive income for the nine month ended March 31, 2014 has not been disclosed separately.

SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTH ENDED MARCH 31, 2014

15 CORRESPONDING FIGURES

Corresponding figures are re-arranged, wherever necessary, for the purpose of comparison. However, no such significant re-arrangements have been made in these condensed interim financial statements except for re-statements required in terms of application of change in accounting policy as referred in note 14.

16 DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Company has authorized these condensed interim financial statements for issue on April 18, 2014.

17 GENERAL

The figures have been rounded off to the nearest Rupee.

STATEMENT UNDER SECTION 241 (2) OF THE COMPANIES ORDINANCE, 1984

These Financial Statements have been signed by two Directors instead of Chief Executive and one Director as the Chief Executive is not for the time being in Pakistan.



SAEED IQBAL KHAN
DIRECTOR



MIAN MUHAMMAD ALI HAMEED
DIRECTOR

BOOK POST

Under Postal Certificate



If undelivered please return to:

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