

**Quarterly
Financial Statements**
(Un-Audited)
March 31, 2022



S A Z G A R
Engineering Works Limited

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Contents

Vision, Mission and Corporate Strategy	1
Company Information	2
Directors' Review	3
Condensed Interim Statement of Financial Position	6
Condensed Interim Statement of Profit or Loss	7
Condensed Interim Statement of Comprehensive Income	8
Condensed Interim Statement of Changes in Equity	9
Condensed Interim Statement of Cash Flows	10
Notes to the Condensed Interim Financial Statements	11

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. Muhammad Omer Saeed
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
Askari Bank Limited

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2022 کو مکمل ہونے والی تیسری سرمایہ اور نوامی کے لئے کمپنی کے معاملات پر بخوشی اپنا جائزہ پیش کرتے ہیں۔

مختصر جائزہ:

المہذہ، کمپنی کی تیسری سرمایہ اور مجموعی طور پر نوامی کے مالیاتی نتائج گزشتہ مالی سال کی اسی مدت کے مقابلہ میں کمپنی کی مالی حالت میں بڑھتے ہوئے رجحان کو ظاہر کر رہے ہیں۔ زیر جائزہ مدت کے دوران غیر یقینی سیاسی اور معاشی حالات کے باوجود فورویٹر تھری ویلر اور آٹوموٹیو پارٹس کی فروخت سے ہونے والی آمدنی بہتری کی عکاسی کر رہی ہے تاہم ٹریکٹر اسبلر کے کم آرڈر کی وجہ سے آٹوموٹیو پارٹس کے فروخت کے حجم میں کمی ہوئی ہے۔

مالیاتی نتائج:

تیسری سرمایہ کے دوران، مجموعی فروخت 131.94 فیصد اضافہ کے ساتھ پچھلے مالیاتی سال کی تیسری سرمایہ کے مقابلہ میں 1,233.50 ملین روپے سے بڑھ کر 2,859.89 ملین روپے ہو گئی ہے، مجموعی منافع 47.46 فی صد اضافہ کے ساتھ 119.70 ملین روپے سے بڑھ کر 176.51 ملین روپے ہو گیا ہے، قبل از ٹیکس منافع 78.21 فی صد اضافہ کے ساتھ 42.29 ملین روپے سے بڑھ کر 75.36 ملین روپے ہو گیا ہے۔

اس سال کی نوامی کے دوران مجموعی فروخت 134.89 فیصد اضافہ کے ساتھ پچھلے مالیاتی سال کی نوامی کے مقابلہ میں 3.01 ملین روپے سے بڑھ کر 7.07 ملین روپے ہو گئی ہے، مجموعی منافع 91.44 فی صد اضافہ سے 291.24 ملین روپے سے بڑھ کر 557.55 ملین روپے ہو گیا ہے، قبل از ٹیکس منافع 189.55 فی صد اضافہ سے 100.19 ملین روپے سے بڑھ کر 290.09 ملین روپے ہو گیا ہے اور آمدنی فی حصص (restated) 1.11 روپے سے بڑھ کر 1.95 روپے ہو گئی ہے۔ نوامی کی مجموعی فروخت میں فورویٹر تھری ویلر درآمد شدہ گاڑیوں کی مجموعی فروخت 3,797.22 ملین روپے تھری ویلر 2,728.52 ملین روپے اور ٹریکٹر ویلر 546.81 ملین روپے شامل ہے۔

فورویٹر تھری ویلر اور ٹریکٹر ویلر کمزری پیداوار اور فروخت کے حجم کا خلا صڈیل میں دیا گیا ہے:-

تفصیل	ایڈجسٹڈ / پینل	تیسری سرمایہ 2021-22		تیسری سرمایہ 2020-21		برصورتی / (کی) فیصد		نوامی 2021-22		نوامی 2020-21		برصورتی / (کی) فیصد	
		فروخت	پیداوار	فروخت	پیداوار	فروخت	پیداوار	فروخت	پیداوار	فروخت	پیداوار	فروخت	پیداوار
فورویٹر	نمبر	124	126	-	-	-	-	185	170	-	-	-	-
تھری ویلر	نمبر	5,041	6,146	4,093	4,769	23.16 فیصد	28.87 فیصد	12,899	11,803	12,254	11,790	5.26 فیصد	0.11 فیصد
ٹریکٹر ویلر	نمبر	21,691	23,717	28,164	27,708	(22.98) فیصد	(14.40) فیصد	53,448	53,359	74,203	75,293	(27.97) فیصد	(29.13) فیصد

مستقبل پر نقطہ نظر:

آؤٹیکٹر کمپنی کی شرح تبادلہ میں مسلسل اتار چڑھاؤ، سود اور افراط زر کی شرح میں اضافے، سمندری مال برداری کے کرایہ کی بلند سطح اور ملک کی غیر مستحکم اقتصادی اور سیاسی صورت حال کی وجہ سے زبردست دباؤ کا سامنا کر رہا ہے۔ کمپنی اپنے استحکام کے لئے پرعزم ہے اور صورت حال پر گہری نظر رکھے ہوئے ہے اور اس کے مطابق مناسب تدابیر کے لئے اقدامات کر رہی ہے۔

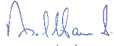
30 جون 2022 تک میونسپلٹی کے سہولیات کو مکمل کرنے کے منصوبے کے مطابق، کمپنی نے 14 اپریل 2022 سے "HAVAL" برانڈ ڈگاڑیوں کی پری بیلنگ شروع کر دی ہے اور اسے مارکیٹ سے حوصلہ افزا جواب مل رہا ہے۔

کمپنی اگلی سرمایہ میں گزشتہ مالی سال کی اسی مدت کے مقابلے میں بہتر مالیاتی نتائج حاصل کرنے کی کوشش کر رہی ہے۔ تاہم، مذکورہ بالا عوامل آنے والے ادوار میں کاروباری حجم کو بری طرح متاثر کر سکتے ہیں۔

ڈائریکٹرز کمپنی کے ملازمین کی انتھک کوششوں، ٹیم ورک اور گن جنس کا اظہار انہوں نے موجودہ عرصہ کے دوران کیا ہے، کے شکر گزار ہیں۔ وہ اپنے معزز حصص داران کاروباری شراکت دار اور مالی اداروں کے کمپنی کے ساتھ مسلسل تعاون کرنے پر بھی شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


میاں محمد علی حمید
ڈائریکٹر


میاں اسد حمید
چیف ایگزیکٹو

لاہور

مورخہ 26 اپریل 2022

DIRECTORS' REVIEW

The directors of your Company are pleased to present their review on the affairs of the Company for the 3rd quarter and nine months ended March 31, 2022:

Brief Overview:

Al-hamdolillah, the financial results for the 3rd quarter and cumulatively nine months are showing a growing trend in financial position of the Company compared with the corresponding period of last financial year. The revenue from sale of four wheeler, three wheeler and automotive parts are reflecting an improvement during the period under review despite of the uncertain political and economic conditions. However, the sales volume of automotive parts has declined due to the lower orders placed by tractor assemblers.

Financial Results:

During the 3rd quarter, the sales has increased by 131.94% from Rs. 1,233.5M to Rs. 2,859.89M, gross profit by 47.46% from Rs. 119.70M to Rs. 176.51M and pre-tax profit by 78.21% from Rs. 42.29M to Rs. 75.36M compared with corresponding period of last year.

The cumulatively nine months' sales has increased by 134.89% from Rs. 3.01 Billion to Rs.7.07 Billion, gross profit by 91.44% from Rs. 291.24 M to Rs.557.55M, and pre-tax profit by 189.55% from Rs. 100.19M to Rs. 290.09M and earning per share from Rs 1.11 (restated) to Rs. 1.95 as compared with the corresponding period of last year. The nine months' sale is comprised of Rs.3,797.22 M of Four Wheeler including sale of imported vehicles, Rs. 2728.52 M of Three Wheeler and Rs. 546.81 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	Third Quarter 2021-22		Third Quarter 2020-21		Increase / (Decrease) %		Nine Months 2021-22		Nine Months 2020-21		Increase / (Decrease) %	
		Produc tion	Sale	Produc tion	Sale	Produc tion	Sale	Product ion	Sale	Produc tion	Sale	Produc tion	Sale
Four Wheeler	No.	124	126	-	-	-	-	185	170	-	-	-	-
Three Wheeler	No.	5,041	6,146	4,093	4,769	23.16%	28.87%	12,899	11,803	12,254	11,790	5.26%	0.11%
Tractor Wheel Rims	No.	21,691	23,717	28,164	27,708	(22.98%)	(14.40%)	53,448	53,359	74,203	75,293	(27.97%)	(29.13%)

Future Outlook:

The auto sector is facing tremendous pressure on account of constant fluctuation in currency exchange rate, rising trend in interest & inflation rates, higher sea freight cost and unstable economic and political conditions of the country. The Company is committed for its sustainability and keeping close eyes on the situation and taking appropriate remedial measures accordingly.

In line with the planning to complete the manufacturing facilities up to June 30, 2022, the Company has commenced the pre-bookings of "HAVAL" branded vehicles with effect from April 14, 2022 and is receiving an encouraging response from the market.

The company is making efforts to achieve better financial results in the next quarter as compared to the corresponding period of last financial year, however, the aforementioned factors may adversely affect the business volume in the periods to come.

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: 26-04-2022


Mian Asad Hameed
(Chief Executive)


MIAN MUHAMMAD ALI HAMEED
(Director)



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2022

	Note	Un-audited March 31, 2022 Rupees	Audited June 30, 2021 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	604,459,640	464,968,950
Capital reserve - Share premium account		557,406,192	557,406,192
Revenue reserve - Un-appropriated Profit		795,983,543	817,476,633
		1,957,849,375	1,839,851,775
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financing		382,272,948	295,398,663
Deferred liabilities		280,506,239	244,891,848
Deferred grant		2,458,468	5,699,176
Deferred revenue		1,547,507	-
CURRENT LIABILITIES			
Trade and other payables		2,151,839,427	2,008,188,102
Unclaimed dividend		1,407,358	1,407,358
Profit accrued on loans and other payables		7,082,734	8,998,064
Short term borrowings		158,497,008	119,679,608
Current portion of long term liabilities		131,029,040	134,125,605
		2,449,855,567	2,272,398,737
CONTINGENCIES AND COMMITMENTS			
	5	-	-
TOTAL EQUITY AND LIABILITIES		5,074,490,104	4,658,240,199
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	2,110,332,857	1,844,421,043
Intangible assets	7	309,141	382,691
Long term loan and advances		35,830,373	28,959,063
Long term deposits		5,037,855	4,045,855
Deferred taxation		106,375,171	54,931,308
CURRENT ASSETS			
Stores, spares and loose tools		11,593,370	3,278,289
Stock-in-trade		1,756,891,738	817,897,347
Trade debts		168,610,918	116,923,695
Loans & advances		40,495,750	31,012,216
Trade deposits and short term prepayments		533,700,263	1,625,987,971
Other receivables		171,144,844	115,423,629
Cash and bank balances		134,167,824	14,977,092
		2,816,604,707	2,725,500,239
TOTAL ASSETS		5,074,490,104	4,658,240,199

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



MIAN ASAD HAMEED
CHIEF EXECUTIVE



MIAN MUHAMMAD ALI HAMEED
DIRECTOR



MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2022

	Note	Third Quarter Ended		Nine Months Ended	
		Jan - Mar 2022	Jan - Mar 2021	July - Mar 2022	July - Mar 2021
		Rupees	Rupees	Rupees	Rupees
Sales - Net	8	2,859,890,728	1,233,045,053	7,073,227,219	3,011,312,561
Cost of sales	9	2,683,379,711	1,113,347,901	6,515,677,705	2,720,070,129
Gross Profit		176,511,017	119,697,152	557,549,514	291,242,432
Distribution cost		51,878,201	39,426,893	121,663,220	88,545,298
Administrative expenses		35,801,779	29,376,630	107,743,895	88,683,351
Other operating expenses		3,975,295	2,971,706	16,337,864	7,289,274
		91,655,275	71,775,229	245,744,979	184,517,923
		84,855,742	47,921,923	311,804,535	106,724,509
Other income		4,544,273	2,041,683	10,073,755	14,842,720
Operating profit before finance cost		89,400,015	49,963,606	321,878,290	121,567,229
Finance cost		14,035,771	7,673,372	31,786,100	21,381,115
Profit before taxation		75,364,244	42,290,234	290,092,190	100,186,114
Taxation	10	50,515,465	12,849,241	172,094,590	33,178,596
Profit after taxation		24,848,779	29,440,993	117,997,600	67,007,518
Earnings per share - Basic and diluted	11	0.41	Restated 0.49	1.95	Restated 1.11

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


MIAN ASAD HAMEED

CHIEF EXECUTIVE



MIAN MUHAMMAD ALI HAMEED
DIRECTOR



MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2022

Third Quarter Ended		Nine Months Ended	
Jan - Mar 2022	Jan - Mar 2021	July - Mar 2022	July - Mar 2021
Rupees	Rupees	Rupees	Rupees

PROFIT AFTER TAXATION FOR THE PERIOD

OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

24,848,779	29,440,993	117,997,600	67,007,518
-	-	-	-
24,848,779	29,440,993	117,997,600	67,007,518

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

MIAN ASAD HAMEED
CHIEF EXECUTIVE

MIAN MUHAMMAD ALI HAMEED
DIRECTOR

MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

	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
Transaction with owner, recognize directly in equity				
Issuance of Bonus Shares	107,300,530	-	(107,300,530)	-
Total Transaction with owner, recognized directly in equity	107,300,530	-	(107,300,530)	-
Comprehensive Income for the period				
Profit after taxation	-	-	67,007,518	67,007,518
Comprehensive Income / (Loss)	-	-	-	-
Total comprehensive income for the period ended March 31, 2021	-	-	67,007,518	67,007,518
Balance as at March 31, 2021 - Un-audited	464,968,950	557,406,192	813,591,488	1,835,966,630
	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
Transaction with owner, recognize directly in equity				
Issuance of Bonus Shares	139,490,690	-	(139,490,690)	-
Total Transaction with owner, recognized directly in equity	139,490,690	-	(139,490,690)	-
Comprehensive Income for the period				
Profit after taxation	-	-	117,997,600	117,997,600
Comprehensive Income / (Loss)	-	-	-	-
Total comprehensive income for the period ended March 31, 2022	-	-	117,997,600	117,997,600
Balance as at March 31, 2022 - Un-audited	604,459,640	557,406,192	795,983,543	1,957,849,375

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

MIAN ASAD HAMEED
CHIEF EXECUTIVE

MIAN MUHAMMAD ALI HAMEED
DIRECTOR

MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR ENGINEERING WORKS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustment for non cash charges and other items:

Depreciation

Amortization

Provision for staff retirement gratuity

Increase in deferred revenue

Workers' Profit Participation Fund

Workers' Welfare Fund

Finance cost

Other Income

Working capital changes

(Increase)/Decrease in current assets

Store, spares and loose tools

Stock-in-trade

Trade debts

Loans & Advances

Trade Deposits and short term prepayments

Other receivables

(Decrease) / Increase in current liabilities

Trade and other payables

Increase in Long term loans and advances

Cash generated from operations

Finance cost paid

Income tax paid/deducted at source

Employees retirement benefit - gratuity paid

Workers' Welfare Fund Paid

Workers' Profit Participation Fund Paid

Net cash generated / (used in) from operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Property, plant and equipment purchased

Increase in long term deposits

Proceeds from sale of property, plant and equipment

Net cash used in investing activities

CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from long term financing

Repayment of long term financing

Proceeds from short term borrowings

Repayment of short term borrowings

Repayment of lease liability

Profit on bank deposits

Dividend paid

Net cash generated from financing activities

NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

MIAN ASAD HAMEED
CHIEF EXECUTIVE

MIAN MUHAMMAD ALI HAMEED
DIRECTOR

MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

Nine Months Ended	
July - Mar 2022	July - Mar 2021
Rupees	Rupees
290,092,190	100,186,114
105,528,497	16,109,248
73,550	19,878
38,933,646	29,109,594
2,524,615	-
15,291,614	5,330,886
-	945,388
31,786,100	21,381,115
(10,073,755)	(14,842,720)
184,064,267	58,053,389
474,156,457	158,239,503
(8,315,081)	(7,726,086)
(938,994,391)	(215,832,383)
(51,687,223)	(19,118,456)
(9,483,534)	(8,317,882)
1,092,287,708	(93,381,911)
-	2,050,373
78,022,777	251,854,281
(6,871,310)	(6,709,051)
154,958,946	(97,181,115)
629,115,403	61,058,388
(33,701,430)	(52,759,017)
(221,392,837)	(34,589,991)
(3,319,255)	(3,286,449)
-	(877,287)
(5,543,487)	(2,233,024)
365,158,394	(32,687,380)
(372,198,909)	(347,786,234)
(992,000)	(100,000)
3,685,000	2,300,000
(369,505,909)	(345,586,234)
114,057,696	149,473,201
(34,497,791)	(24,637,322)
2,369,112,121	515,718,756
(2,330,294,721)	(515,718,756)
-	(62,660,000)
5,160,942	12,121,787
-	(35,620)
123,538,247	74,262,046
119,190,732	(304,011,568)
14,977,092	448,819,055
134,167,824	144,807,487



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2022

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 geographic location of 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 nine months ended March 31, 2022 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, Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are 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 oversee the management of risks. The Company's 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 COMPARATIVE 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 THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2022

3.3 There are certain amendments in the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been detailed in these condensed interim financial statements.

4 SHARE CAPITAL

4.1 AUTHORIZED SHARE CAPITAL

Un-audited March 31, 2022 Number	Audited June 30, 2021 Number	NOTE	Un-audited March 31, 2022 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
39,082,964	25,133,895	ordinary shares of Rupees 10/- each allotted as bonus shares.	390,829,640	251,338,950
60,445,964	46,496,895		604,459,640	464,968,950

4.3 These shares include 13,949,069 bonus shares of Rs.10 each (June 30, 2021: 10,730,053) issued by the company during the period.

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. Except the following;

5.1.1 Reference to the note no. 14.1.10 of the annual audited financial statements of the company for the year ended June 30, 2021, during the period, ATIR decided the appeal against the Company and upheld the decision of CIR (A) of Rs. 2,479,693/- as on November 11, 2021. The company has filed a reference Petition before the honorable Lahore High Court, Lahore. In the Opinion of Lawyer, favorable outcomes of the reference Petition is expected, hence no provision is made in these financial statements.

5.1.2 Reference to the note no. 14.1.16 of the annual audited financial statements of the company for the year ended June 30, 2021, The Company had challenged the legality and constitutionality of section 5A of the Income Tax Ordinance, 2001 by filing a writ petition in Honorable Lahore High Court, Lahore during the year 2018. Consequent to the change in Income Tax Ordinance, 2001 after filing of writ petition, the Company, with the permission of honorable court, has withdrawn the said writ petition during the period under review and filed a fresh writ petition in honorable Lahore High Court, Lahore subsequent to the period under review. In the opinion of lawyer, favorable outcome of the case is expected, therefore, provision of Rs. 19.10 Million is not made in these financial statements.

5.2 Commitments

5.2.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 1,764.65.00 Million (June 30, 2021: Rs. 145.93 Million).

5.2.2 Commitments in respect of capital expenditures amount to Rs. 326.58 Million (June 30, 2021: Rs. 93.69 Million).

6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - Tangible	6.1	1,758,055,878	344,171,829
Capital work in progress	6.2	270,276,979	1,454,249,214
Advance for purchase of land		82,000,000	46,000,000
		2,110,332,857	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 freehold land		402,835,059	-
- Plant and machinery		1,037,850,092	1,365,000
- Furniture and Fittings		527,103	-
- Office equipment's		1,811,936	1,205,900
- Electric installations		45,361,954	409,604
- Vehicles		31,785,000	28,572,932
		1,520,171,144	31,553,436



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2022

		Un-audited March 31, 2022 Rupees	Audited June 30, 2021 Rupees		
Less:					
Disposal during the period (at net book value)					
- Vehicles		758,598	1,381,069		
Depreciation charged during the period		105,528,497	21,797,458		
		106,287,095	23,178,527		
Closing book value		1,758,055,878	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		271,610,220	453,843,428		
- Building and Civil Works on freehold land		25,841,484	18,211,151		
		297,451,704	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		402,835,059	-		
- Electric installations		45,213,788	-		
- Intangible Assets		-	341,251		
		1,481,423,939	341,251		
Closing Balance		270,276,979	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		73,550	35,504		
Closing book value		309,141	382,691		
		Un-audited	Un-audited	Un-audited	Un-audited
		Jan - Mar	Jan - Mar	July - Mar	July - Mar
		2022	2021	2022	2021
		Rupees	Rupees	Rupees	Rupees
8 SALES - NET					
Gross sales	8.1	3,514,056,672	1,607,269,191	8,777,817,316	3,936,693,486
Less: Sales tax		499,340,414	212,865,612	1,232,945,890	519,340,715
Federal Excise Duty		37,054,843	-	41,878,106	-
Sales returns		84,589,765	128,677,900	314,536,086	333,339,141
Commission		33,180,922	32,680,626	115,230,015	72,701,069
		654,165,944	374,224,138	1,704,590,097	925,380,925
		2,859,890,728	1,233,045,053	7,073,227,219	3,011,312,561
8.1	This includes Rs. 25.31 million (March 31, 2021: Rs. 64.95 million) on account of export sales for the period.				
8.2	The disaggregation of revenue is disclosed in note no.13 of these condensed interim financial statements.				
9 COST OF SALES					
Raw materials and components consumed		1,915,004,417	836,125,784	3,807,366,695	2,335,831,695
Salaries, wages and other benefits		135,823,192	96,998,881	358,938,880	276,908,348
Stores, spares and loose tools consumed		16,839,663	11,688,361	41,760,260	35,730,118
Power and fuel charges		41,619,707	23,661,887	106,725,633	62,726,212
Repair and maintenance		34,184,433	14,934,729	92,790,567	60,338,937
Other expenses		2,603,200	4,329,035	10,097,077	11,952,044
Depreciation & Amortization		41,424,264	2,938,907	96,295,412	8,793,608
		2,187,498,877	990,677,584	4,513,974,524	2,792,280,962
Opening work-in-process		27,509,801	35,374,185	31,392,103	30,553,475
Closing work-in-process		(36,660,837)	(31,839,197)	(36,660,837)	(31,839,197)
Cost of goods manufactured		2,178,347,841	994,212,572	4,508,705,790	2,790,995,240
Opening finished goods		1,235,796,864	412,965,664	232,678,794	222,905,224
Cost of finished goods purchased		-	4,149,538	2,505,058,114	4,149,538
Closing finished goods		(730,764,993)	(297,979,873)	(730,764,993)	(297,979,873)
		2,683,379,712	1,113,347,901	6,515,677,705	2,720,070,129
10 TAXATION					
Current					
For the period		60,971,692	18,934,264	224,287,321	46,460,755
Prior period		-	-	(748,867)	(513,509)
Deferred					
For the period		(10,456,227)	(6,085,023)	(51,443,864)	(12,768,650)
		50,515,465	12,849,241	172,094,590	33,178,596



SAZGAR ENGINEERING WORKS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2022

		Un-audited Jan - Mar 2022 Rupees	Un-audited Jan - Mar 2021 Rupees	Un-audited July - Mar 2022 Rupees	Un-audited July - Mar 2021 Rupees
11 EARNINGS PER SHARE - BASIC AND DILUTED					
Basic Earnings Per Share					
Profit after taxation for the period	Rupees	24,848,779	29,440,993	117,997,600	67,007,518
Weighted average number of ordinary shares outstanding during the period - Note 4.2	Number	60,445,964	60,445,964	60,445,964	60,445,964
Basic earnings per share	Rupees	0.41	0.49	1.95	1.11
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 March 31, 2022 and March 31, 2021, 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 and Travelling, boarding and lodging expenses				850,000	760,000
Key Management Personnel					
Remuneration, Allowances and benefits				50,103,351	45,759,008
Other Executive					
Remuneration, Allowances and benefits				3,893,000	3,750,000
13 SEGMENT RESULTS					
Segment Revenue - Net - External					
Home appliances		465,000	439,748	671,400	3,992,269
Automotive parts		250,823,512	211,415,155	546,814,560	534,756,066
Automobiles - Three Wheeler		1,474,410,048	1,021,190,150	2,728,518,864	2,450,286,449
Automobiles - Four Wheeler		1,134,192,168	-	3,797,222,395	22,277,777
Total		2,859,890,728	1,233,045,053	7,073,227,219	3,011,312,561
Segment operating results					
Home appliances		(14,637)	94,323	(23,016)	657,031
Automotive parts		3,645,415	5,678,710	9,365,535	10,968,873
Automobiles - Three Wheeler		59,102,230	64,642,757	132,620,591	148,307,150
Automobiles - Four Wheeler		26,098,029	(19,522,161)	185,133,038	(46,932,270)
Total		88,831,037	50,893,630	327,096,149	113,000,783
14 DATE OF AUTHORIZATION FOR ISSUE					
The Board of Directors of the Company has authorized these condensed interim financial statements for issue on April 26, 2022.					
15 CORRESPONDING FIGURES					
The corresponding figures of Statement of Cash Flows have been re-classified for the purpose of better presentation.					
Reclassified From	Reclassified To	Nature			
Trade and other payables	Workers' Profit Participation Fund	Provision of Expenses	15,291,614	5,330,886	
Trade and other payables	Workers' Welfare Fund	Provision of Expenses	-	945,388	
Trade and other payables	Workers' Welfare Fund Paid	Payment of Expenses	-	(877,287)	
16 GENERAL					
16.1	The figures have been rounded off to the nearest Rupee.				


MIAN ASAD HAMEED
CHIEF EXECUTIVE


MIAN MUHAMMAD ALI HAMEED
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



Sazgar Engineering Works Limited

Registered Office : 88 Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore.

Tel : 042-35297861-62, 35291573-74, **Fax :** 042-35297863

Factory : 18 Km, Raiwind Road, Lahore. **Tel :** 042-35330300-2.

Fax : 042-35330329 **Enquiries :** info@sazgarautos.com



sazgar@brain.net.pk



www.sazgarautos.com