



SAZGAR



QUARTERLY
FINANCIAL STATEMENTS
UNAUDITED
SEPTEMBER 30, 2024

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.
- 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 customer 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. Taha Mahmood
Independent Director

Mr. Muhammad Omer Saeed
Independent Director

AUDIT COMMITTEE

Mr. Umair Ejaz (Chairman)
Mr. Taha Mahmood (Member)
Mrs. Sana Suleyman (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)

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)

SUSTAINABILITY COMMITTEE

Mr. Muhammad Omer Saeed (Chairman)
Mr. Umair Ejaz (Member)
Mrs. Sana Suleyman (Member)
Mr. Arshad Mahmood (Secretary)

COMPANY SECRETARY

Mr. Arshad Mahmood – FCA

CHIEF FINANCIAL OFFICER

Mr. Muhammad Atif Rao

AUDITORS

Crowe Hussain Chaudhury & Co.
Chartered Accountants

CREDIT RATING (by VIS Credit Rating Company Ltd.)

Medium to Long term rating: **A**
Short term rating: **A-2**

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

Three-Wheeler Plant:
18-KM Raiwind road, Lahore, Pakistan.
Ph: +92-42-35330300-2, Fax: +92-42-35330329

Four-Wheeler Plant:
Maghrabi Tanki-1, Link Road, near Ijtimah Chowk,
Sundar-Raiwind Road, Raiwind, Lahore, Pakistan.
Ph: +92-42-35398671-74, Fax: +92-42-35398676

BANKERS

Meezan Bank Limited	MCB Islamic Bank Limited	Bank Islami Pakistan Limited
Faysal Bank Limited	Bank AL Habib Limited	Askari Bank Limited
Habib Bank Limited	National Bank of Pakistan	Bank Alfalah Limited
Habib Metropolitan Bank Limited	The Bank of Punjab – Islamic	Dubai Islamic Bank Pakistan Limited
United Bank Limited - Ameen	Al Baraka Bank Pakistan Limited	Allied Bank Limited

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2024 کو مکمل ہونے والی پہلی سرمایہ کے لئے کمپنی کے معاملات پر بخوشی اپنا جائزہ پیش کرتے ہیں۔

معیشت:

مالی سال 2024-25 کی پہلی سرمایہ کے دوران بیشتر معاشی اشاریے ملک کے معاشی حالات میں استحکام ظاہر کر رہے ہیں۔ آئی ایم ایف کی جانب سے 7.00 ارب ڈالر کے قرض کی منظوری سے زرمبادلہ کے ذخائر میں مزید استحکام آیا ہے۔ افراط زر کے دباؤ میں کمی نے اسٹیٹ بینک کو پالیسی ریٹ کو 20.50 فی صد سے کم کر کے 17.50 فی صد کرنے کی ترغیب دی ہے جس سے کاروباری سرگرمیوں پر مثبت اثرات مرتب ہوں گے۔ غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپیہ استحکام دکھا رہا ہے۔ بیرون ملک تنہم پاکستانیوں کی برآمدات اور ترسیلات زحمات مند افسانے کی عکاسی کر رہی ہیں جس سے تجارتی خسارے کو 4.20 فی صد کے معمولی افسانے کے ساتھ 5.40 ارب ڈالر تک کنٹرول کرنے میں مدد ملی ہے۔ زرعی شعبے اور لارج سکیل مینیجمنٹ (LSM) سمیت صنعتی شعبوں کی اکثریت ترقی کی راہ پر گامزن ہے۔

آؤنیکر:

زیر جائزہ مدت کے دوران، آؤنیکر نے مجموعی فروخت حجم میں 16.95 فی صد کی نمایاں بحالی (30 ستمبر 2023 میں 11.46 فی صد کی) ظاہر کی ہے۔ فور وولٹرز گاڑیوں (ٹرکٹروں کے علاوہ) میں 32.49 فی صد اضافہ (30 ستمبر 2023 میں 40.19 فی صد کی)، نو وولٹرز اور تھری وولٹرز میں بائرنیپ 17.97 فی صد اور 80.18 فی صد اضافہ (30 ستمبر 2023 میں بائرنیپ 10.01 فی صد اور 10.43 فی صد کی) دیکھا گیا جبکہ ٹرکٹروں میں 56.94 فی صد کی (30 ستمبر 2023 میں 64.09 فی صد اضافہ) دیکھی گئی ہے۔ (ذرائع: پاکستان آؤٹومیٹیو نیٹورک زائیوس ایسٹس)۔ آؤنیکر میں بحالی اس بات کی نشاندہی کرتی ہے کہ گاڑیوں کی طلب میں اضافہ ہونا شروع ہو گیا ہے یہ ملک کی اقتصادی ترقی میں نمایاں کردار ادا کرے گا۔

کمپنی کی مالی کارکردگی:

اللہ کے فضل و کرم سے، کمپنی نے مالی سال 2024-25 کی پہلی سرمایہ کے دوران متاثر کن مالی کارکردگی کا مظاہرہ کیا ہے۔

کمپنی کی اس سرمایہ میں مجموعی فروخت 18,287.73 ملین روپے اضافہ کے ساتھ پچھلے مالیاتی سال کی سرمایہ کے مقابلہ میں 8,044.26 ملین روپے سے بڑھ کر 26,331.99 ملین روپے ہو گئی ہے، مجموعی منافع 6,110.07 ملین روپے اضافہ کے ساتھ 1,510.57 ملین روپے سے بڑھ کر 7,620.64 ملین روپے ہو گیا ہے، قبل از ٹیکس منافع 5,505.85 ملین روپے اضافہ کے ساتھ 1,109.37 ملین روپے سے بڑھ کر 6,615.05 ملین روپے ہو گیا ہے اور آمدنی فی حصص 10.89 روپے سے بڑھ کر 69.77 روپے ہو گئی ہے۔ مجموعی فروخت میں فور وولٹرز 24,091.92 ملین روپے (2023: 6,684.85 ملین روپے)، تھری وولٹرز 2,081.97 ملین روپے (2023: 1,103.91 ملین روپے) اور ٹرکٹروں میں 158.10 ملین روپے (2023: 255.51 ملین روپے) کی فروخت شامل ہے۔

فور وولٹرز تھری وولٹرز اور ٹرکٹروں کی پیداوار اور فروخت کے حجم کا خلاصہ ذیل میں دیا گیا ہے:

تفصیل	یونٹ اریٹس	پہلی سرمایہ 2024-25		پہلی سرمایہ 2023-24	
		فروخت	پیداوار	فروخت	پیداوار
فور وولٹرز	نمبر	2,719	2,605	739	735
تھری وولٹرز	نمبر	5,923	5,435	3,483	2,876
ٹرکٹروں میں	نمبر	8,947	9,508	15,986	17,134
				(44.03) فی صد	(44.51) فی صد

عبوری منافع منقسمہ:

آپ کی کمپنی کے ڈائریکٹران 10/10 روپے فی حصص یعنی 100 فی صد عبوری نقد منافع منقسمہ کا بخوشی اعلان کرتے ہیں۔

مستقبل پر نقطہ نظر:

آؤیکسٹر میں معاشی استحکام اور ترقی کے مطابق بحالی اور ترقی کی زبردست صلاحیت موجود ہے۔ اس صلاحیت کو مد نظر رکھتے ہوئے نئے برانڈز کے ساتھ ساتھ موجودہ برانڈز بھی مارکیٹ میں نئی انرجی گاڑیاں متعارف کر رہے ہیں جو نہ صرف خریداروں کو مختلف آپشنز فراہم کریں گی بلکہ معیشت کی ترقی میں بھی اہم کردار ادا کریں گی۔ کمپنی ان پیشرفتوں سے مکمل طور پر آگاہ ہے اور مارکیٹ کی ترجیحات کے مطابق نئی ماحول دوست گاڑیاں متعارف کروا کر اپنی مصنوعات کی ریچ میں اضافے پر مسلسل کام کر رہی ہے۔

حکومت نے تقریباً 7.00 ارب امریکی ڈالر کی آئی ایم ایف توسیع فنڈ سہولت (ای ایف ایف) کی پہلی ٹرنچ کا میانی سے حاصل کی ہے جس سے نہ صرف ملک میں میکرو اکنامک استحکام پیدا ہوا ہے بلکہ زرمبادلہ کے ذخائر بڑھانے میں بھی مدد ملی ہے۔ تاہم، معاشی استحکام کو زیادہ پائیدار بنانے کے لئے سیاسی فیصلہ سازی کی ضرورت ہے۔


کمپنی کے کاروبار کے مستقبل کے امکانات امیدوار اور روشن ہیں۔ اللہ تعالیٰ کے فضل و کرم سے کمپنی کی مصنوعات خاص طور پر HAVAL گاڑیاں متعلقہ کمپنیوں میں اپنی مارکیٹ پوزیشن مطلقاً برسی ہیں اور امید ہے کہ مستقبل میں ملک کی معاشی ترقی کے ساتھ ساتھ ان کی طلب میں بھی اضافہ ہوتا رہے گا۔

ڈائریکٹرز کمپنی کے ملازمین کی انجکٹ کو کوششوں، ٹیم ورک اور لگن جس کا اظہار انہوں نے موجودہ عرصہ کے دوران کیا ہے، کے شکر گزار ہیں۔ وہ اپنے معزز رخص داران، گاہکوں، سپلائرز اور مالی اداروں کے کمپنی کے ساتھ مسلسل تعاون کرنے پر بھی شکر گزار ہیں۔

یورڈ آف ڈائریکٹرز کی جانب سے

لاہور
مورخہ: 26 اکتوبر 2024


سعید اقبال خان
ڈائریکٹر


میاں اسد حمید
چیف ایگزیکٹو

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, 2024.

The Economy:

During the first quarter of the financial year 2024-25, majority of economic indicators are showing a stability in the economic conditions of the country. The approval of loan of US\$ 7.00 Billion by IMF has further stabilized the forex reserves. The decrease in inflationary pressure has encouraged the SBP to reduce policy rate from 20.50% to 17.50% which shall positively impact the business activities. Pak Rupee is showing a stability against foreign currencies. The exports and remittances from overseas Pakistanis are reflecting a healthy increase which has helped to maintain trade deficit under control with a marginal increase of 4.20% to US\$ 5.40 Billion. The most of industrial sectors including agricultural sector and LSM are on the path of growth.

Auto Sector:

The auto sector during the period under review has shown an overall recovery of 16.95% (September 30, 2023 decrease of (11.46%)) in sales volume. Four wheelers segment (excluding tractors) has shown a growth of 32.49% (September 30, 2023 decrease of (40.19%)), two wheelers and three wheelers 17.97% & 80.18% respectively (September 30, 2023: decrease of (10.01%) & (0.43%) respectively) whereas tractors have shown a decrease of 56.94% (September 30, 2023: increase of 64.09%). (Source: PAMA). The recovery in auto sector indicates that the demand of vehicles has started to increase and it will significantly contribute in the economic growth of the country.

Company's Financial Performance:

By the Grace of Almighty Allah, the Company has shown an impressive financial performance during first quarter of financial year 2024-25.

During this quarter, the Company's net sale has increased by 18,287.73 M from Rs. 8,044.26 M to Rs. 26,331.99 M, gross profit by 6,110.07 M from Rs. 1,510.57 M to Rs. 7,620.64 M, pretax profit by 5,505.85 M from Rs. 1,109.37 M to Rs. 6,615.05 M and earnings per share from Rs. 10.89 to Rs. 69.77 as compared with the corresponding period of last financial year. The sale is mainly comprised of Rs. 24,091.92 M (September 30, 2023: Rs. 6,684.85 M) four wheelers, Rs. 2,081.97 M (September 30, 2023: Rs. 1,103.91 M) three wheelers and Rs. 158.10 M (September 30, 2023: Rs. 255.51 M) tractor wheel rims.

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

Description	U/M	First Quarter 2024-25		First Quarter 2023-24		Increase / (Decrease) %	
		Production	Sale	Production	Sale	Production	Sale
Four Wheelers	No.	2,719	2,605	739	735	267.93%	254.42%
Three Wheelers	No.	5,923	5,435	3,483	2,876	70.05%	88.98%
Tractor Wheel Rims	No.	8,947	9,508	15,986	17,134	(44.03%)	(44.51%)

Interim Cash Dividend:

The Directors of your company are pleased to declare an interim cash dividend of Rs. 10/- per ordinary share i.e. 100%.

Future Outlook:

The auto sector has a great potential to revive and grow in line with the economic stability and growth. Considering this potential, new brands as well as existing brands are introducing new energy vehicles in the market which shall not only provide various options to the buyers but also play a pivotal role in the growth of economy. The Company is fully aware of these developments and constantly working on the increase in its product range by the introduction of new environment friendly Vehicles as per market dynamics.

The Government has successfully received first trench of IMF Extended Fund Facility (EFF) of about US Dollars 7.00 Billion which has not only created a macroeconomic stability in the country but also helped to build up foreign exchange reserves. However, the political uncertainty needs to be resolved to make economic stability more sustainable.

The future prospects of the company's business are promising and bright. **By the Grace of Al-mighty Allah**, the company's products particularly **HAVAL** vehicles are strengthening their market position in their respective categories and hopefully their demand will continue to grow alongside the economic growth of the country in the future periods.

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.

Lahore

Dated: 26-10-2024

For and on behalf of the Board


MIAN ASAD HAMEED
CHIEF EXECUTIVE
SAEED IQBAL KHAN
DIRECTOR

CONDENSED INTERIM STATEMENT OF
FINANCIAL POSITION (UN-AUDITED)
 AS AT SEPTEMBER 30, 2024

	Note	Un-audited September 30, 2024 Rupees	Audited June 30, 2024 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital	4	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital	5	604,459,640	604,459,640
Capital reserve - share premium		557,406,192	557,406,192
Revenue reserve - unappropriated profit		13,159,694,132	8,942,220,855
Shareholders' Equity		14,321,559,964	10,104,086,687
NON CURRENT LIABILITIES			
Diminishing musharakah financing		104,851,057	151,892,953
Deferred Tax Liability		311,976,884	207,775,728
Post employment benefits		522,090,807	495,893,469
Deferred revenue		-	19,763,562
		938,918,748	875,325,712
CURRENT LIABILITIES			
Trade and other payables		17,027,256,889	16,160,140,423
Unclaimed dividend		6,181,906	6,269,891
Profit Payable		55,370,561	17,220,879
Current portion of long term liabilities		200,737,257	208,427,075
Taxation - Net		3,019,915,285	1,854,552,237
		20,309,461,898	18,246,610,505
CONTINGENCIES AND COMMITMENTS			
	6	-	-
TOTAL EQUITY AND LIABILITIES		35,569,940,610	29,226,022,904
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	5,011,051,287	4,560,374,008
Intangible assets	8	113,751	130,814
Long term loans to staff		42,470,578	39,444,745
Long term deposits		8,690,470	8,930,470
		5,062,326,086	4,608,880,037
CURRENT ASSETS			
Stores, spares and loose tools		24,761,723	5,809,570
Stock-in-trade		16,686,130,829	14,318,096,914
Trade debts		143,912,892	133,017,887
Loans, advances, deposits, prepayments and other receivables		3,080,165,342	2,398,535,831
Cash and bank balances		10,572,643,738	7,761,682,665
		30,507,614,524	24,617,142,867
TOTAL ASSETS		35,569,940,610	29,226,022,904

The annexed notes 1 to 18 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

CONDENSED INTERIM STATEMENT OF
PROFIT OR LOSS (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	NOTE	September 30, 2024 Rupees	September 30, 2023 Rupees
Sales - net	9	26,331,994,025	8,044,264,447
Cost of sales	10	(18,711,356,826)	(6,533,692,637)
Gross profit		7,620,637,199	1,510,571,810
Distribution and marketing costs		(740,055,513)	(290,162,882)
Administrative expenses		(122,982,682)	(74,416,806)
		(863,038,195)	(364,579,688)
Operating Profit		6,757,599,004	1,145,992,122
Other operating expenses		(488,034,673)	(80,675,202)
Other operating income		403,388,762	79,606,191
Finance cost		(57,455,177)	(35,555,111)
		(142,101,088)	(36,624,122)
Profit before Levy and Taxation		6,615,497,916	1,109,368,000
Levy / final taxation		(450,270)	(174,378)
Profit before Taxation		6,615,047,646	1,109,193,622
Taxation	11	(2,397,574,369)	(450,656,357)
Net Profit for the period		4,217,473,277	658,537,265
Earnings per share - basic and diluted	12	69.77	10.89

The annexed notes 1 to 18 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

CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	September 30, 2024	September 30, 2023
	Rupees	Rupees
Net Profit for the Period	4,217,473,277	658,537,265
Other comprehensive income / (loss) for the period	-	-
Total Comprehensive Income for the Period	4,217,473,277	658,537,265

The annexed notes 1 to 18 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

CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

Particulars	Share Capital	Capital reserve	Revenue reserve	Total
	Rupees	Share premium	Un-appropriated Profit	
	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2023 - audited	604,459,640	557,406,192	1,753,182,230	2,915,048,062
Comprehensive income for the period				
Net profit for the period	-	-	658,537,265	658,537,265
Comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the period ended September 30, 2023	-	-	658,537,265	658,537,265
Balance as at September 30, 2023 - unaudited	<u>604,459,640</u>	<u>557,406,192</u>	<u>2,411,719,495</u>	<u>3,573,585,327</u>
Balance as at June 30, 2024 - audited	604,459,640	557,406,192	8,942,220,855	10,104,086,687
Comprehensive income for the period				
Net profit for the period	-	-	4,217,473,277	4,217,473,277
Comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the period ended September 30, 2024	-	-	4,217,473,277	4,217,473,277
Balance as at September 30, 2024 - unaudited	<u>604,459,640</u>	<u>557,406,192</u>	<u>13,159,694,132</u>	<u>14,321,559,964</u>

The annexed notes 1 to 18 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

CONDENSED INTERIM STATEMENT OF
CASH FLOWS (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	September 30, 2024 Rupees	September 30, 2023 Rupees
Cash Flows from Operating Activities		
Profit before levy and taxation	6,615,497,916	1,109,368,000
Adjustment for non cash charges and other items:		
Depreciation on property, plant and equipment	76,462,487	66,146,291
Amortization on intangibles	17,063	17,063
Provision for post employment benefits	35,112,843	27,992,582
(Decrease) / Increase in deferred revenue	(25,847,124)	2,835,843
Workers' profit participation fund	357,199,831	59,801,085
Workers' welfare fund	130,830,184	20,874,117
Provision for warranty claims	65,829,985	17,952,375
Finance cost	57,455,177	35,555,111
Bank profits on saving accounts	(351,145,463)	(74,242,555)
Effect of unwinding on loan to staff	(1,278,051)	-
Gain on disposal of fixed assets	-	(5,363,636)
	<u>344,636,932</u>	<u>151,568,276</u>
	6,960,134,848	1,260,936,276
Working capital changes		
(Increase)/Decrease in current assets		
Store, spares and loose tools	(18,952,153)	(1,576,273)
Stock-in-trade	(2,368,033,915)	(1,375,647,990)
Trade debts	(10,895,005)	(109,873,612)
Loans, advances, deposits, prepayments and other receivables	3,130,205	178,784,357
(Decrease) / Increase in current liabilities		
Trade and other payables	(359,936,468)	2,345,837,769
Increase in long term loans and advances	<u>(1,747,782)</u>	<u>(2,447,403)</u>
	(2,756,435,118)	1,035,076,848
Cash generated from operations	4,203,699,730	2,296,013,124
Finance cost paid	(19,305,495)	(32,921,336)
Income tax paid/deducted at source	(1,131,408,478)	(371,757,854)
Employees retirement benefit - gratuity paid	(8,915,505)	(24,450,336)
Net cash generated from operating activities	<u>3,044,070,252</u>	<u>1,866,883,598</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment	(527,139,766)	(267,055,699)
Decrease in long term deposits	240,000	387,885
Proceeds from sale of property, plant and equipment	-	10,206,000
Net cash used in investing activities	<u>(526,899,766)</u>	<u>(256,461,814)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	(48,648,152)	(39,273,153)
Proceeds from short term borrowings	-	313,158,047
Repayment of short term borrowings	-	(313,158,047)
Profit on bank deposits received	342,526,724	73,789,704
Dividend paid	(87,985)	-
Net cash generated from financing activities	<u>293,790,587</u>	<u>34,516,551</u>
Net Increase in Cash and Cash Equivalents	<u>2,810,961,073</u>	<u>1,644,938,335</u>
Cash and Cash Equivalents at the beginning of the period	<u>7,761,682,665</u>	<u>1,028,805,085</u>
Cash and Cash Equivalents at the End of the Period	<u>10,572,643,738</u>	<u>2,673,743,420</u>

The annexed notes 1 to 18 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

NOTES

TO THE CONDENSED INTERIM FINANCIAL STATEMENTS UN-AUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

1 THE COMPANY AND ITS OPERATIONS

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 domiciled in Pakistan and is engaged in manufacturing and sale of automobiles, automotive parts and household electric appliances.

The geographical locations and addresses of the Company's business units, including production facilities are as under:

Business unit	Geographical location
Registered office	88- Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore.
Manufacturing facility - three wheeler, wheel rim and import of household electric appliances	18-Km Raiwind Road, Lahore.
Manufacturing facility - four wheeler	Maghrabi Tanki-1 Link Road, Near Ijtamah Chowk, Sunder-Raiwind Road, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements (un-audited) of the Company for the first three months ended September 30, 2024 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, 2024.

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

2.4.1 Financial risk management

The Company oversees 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, 2024.

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 to 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, 2024.

NOTES

TO THE CONDENSED INTERIM FINANCIAL STATEMENTS UN-AUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

2.5 COMPARATIVE FIGURES

The comparative statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2024; the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity of the Company have been extracted from the unaudited condensed interim financial statements for the first quarter ended September 30, 2023.

3 MATERIAL ACCOUNTING POLICY INFORMATION

- 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, 2024.
- 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.
- 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 01, 2025. 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 AUTHORIZED SHARE CAPITAL

Un-audited		Audited			Un-audited		Audited	
September 30, 2024		June 30, 2024			September 30, 2024		June 30, 2024	
Number of Shares					Rupees			
<u>100,000,000</u>		<u>100,000,000</u>		Ordinary shares of Rupees 10/- each	<u>1,000,000,000</u>		<u>1,000,000,000</u>	

5 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	39,082,964	ordinary shares of Rupees 10/- each allotted as bonus shares.	390,829,640	390,829,640
<u>60,445,964</u>	<u>60,445,964</u>		<u>604,459,640</u>	<u>604,459,640</u>

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no significant change in contingencies from the preceding annual published financial statements of the Company for the year ended June 30, 2024.

6.2 Commitments

- 6.2.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 9,607.73 Million (June 30, 2024: Rs. 13,061.57 Million).
- 6.2.2 Commitments in respect of capital expenditures amount to Rs. 1,189.49 Million (June 30, 2024: Rs. 25.10 Million) and bank guarantee of Rs. 30.28 Million (June 30, 2024: Rs. 30.28 Million).

NOTES

TO THE CONDENSED INTERIM FINANCIAL STATEMENTS UN-AUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

		Un-audited September 30, 2024 Rupees	Audited June 30, 2024 Rupees
7	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets - tangible	7.1 4,376,682,954	4,223,942,764
	Capital work in progress	7.2 634,368,333	336,431,244
		<u>5,011,051,287</u>	<u>4,560,374,008</u>
7.1	OPERATING FIXED ASSETS - tangible		
	Opening book value	4,223,942,764	2,831,287,076
	Add:		
	Additions during the period (at cost)		
	- Freehold Land	-	1,085,350,400
	- Building and civil works on freehold land	-	188,199,026
	- Plant and machinery	187,906,106	149,275,537
	- Electric fittings	-	12,129,451
	- Furniture and fittings	-	6,705,611
	- Office equipment	988,000	24,254,544
	- Electric installations	2,051,968	24,701,794
	- Vehicles	38,256,603	192,208,610
		<u>229,202,677</u>	<u>1,682,824,973</u>
	Less:		
	Disposal during the period (at net book value)		
	- Vehicles	-	(7,756,719)
	Depreciation charged during the period	<u>(76,462,487)</u>	<u>(282,412,566)</u>
		<u>(76,462,487)</u>	<u>(290,169,285)</u>
	Closing book value	<u>4,376,682,954</u>	<u>4,223,942,764</u>
7.2	CAPITAL WORK IN PROGRESS		
	Opening balance	336,431,244	30,000,000
	Additions during the period		
	- Plant and machinery & Advances to Suppliers	7,752,120	303,601,948
	- Building and civil works on freehold land	290,184,969	316,381,846
		<u>297,937,089</u>	<u>619,983,794</u>
	Less Transferred to fixed assets during the period		
	- Plant and machinery	-	(95,353,524)
	- Building and civil works on freehold land	-	(188,199,026)
	- Land	-	(30,000,000)
		-	(313,552,550)
	Closing Balance	<u>634,368,333</u>	<u>336,431,244</u>
		Un-audited September 30, 2024 Rupees	Audited June 30, 2024 Rupees
8	INTANGIBLE ASSETS		
	Opening book value	130,814	199,064
	Less: amortization charged during the period	<u>(17,063)</u>	<u>(68,250)</u>
	Closing book value	<u>113,751</u>	<u>130,814</u>

NOTES

TO THE CONDENSED INTERIM FINANCIAL STATEMENTS UN-AUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

NOTE	Un-audited	Un-audited
	July - Sep 2024	July - Sep 2023
	Rupees	Rupees
9 SALES - NET		
Gross sales	30,657,608,669	9,636,413,014
Less: Sales tax	3,136,817,799	1,251,745,206
Federal excise duty	1,188,158,391	332,759,715
Sales returns	638,454	7,643,646
	4,325,614,644	1,592,148,567
	<u>26,331,994,025</u>	<u>8,044,264,447</u>

9.1 This includes Rs. 5.48 million (September 30, 2023: Rs. 14.96 million) on account of export sales for the period.

9.2 The disaggregation of revenue is disclosed in note no.14 of these condensed interim financial statements.

NOTE	Un-audited	Un-audited
	July - Sep 2024	July - Sep 2023
	Rupees	Rupees
10 COST OF SALES		
Raw materials and components consumed	18,631,819,244	6,233,193,428
Salaries, wages and other benefits	297,079,579	257,735,763
Stores, spares and loose tools consumed	69,189,091	34,011,442
Power and fuel charges	257,729,324	96,153,927
Repair and maintenance	75,007,055	44,252,569
Other expenses	13,064,798	14,025,729
Depreciation & amortization	65,713,683	60,759,823
	19,409,602,774	6,740,447,831
Opening work-in-process	32,066,787	47,015,266
Closing work-in-process	(32,819,758)	(21,413,307)
Cost of goods manufactured	19,408,849,803	6,766,049,790
Opening finished goods	1,848,659,626	638,790,179
Cost of finished goods purchased	222,377,773	-
Closing finished goods	(2,768,530,376)	(871,147,332)
	<u>18,711,356,826</u>	<u>6,533,692,637</u>

NOTE	Un-audited	Un-audited
	July - Sep 2024	July - Sep 2023
11 TAXATION		
Levy / final taxation	450,270	174,378
Current tax		
For the period	2,293,373,213	388,157,992
Deferred tax	104,201,156	62,498,365
	<u>2,397,574,369</u>	<u>450,656,357</u>

NOTES

TO THE CONDENSED INTERIM FINANCIAL STATEMENTS UN-AUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

		Un-audited July - Sep 2024	Un-audited July - Sep 2023
12	EARNINGS PER SHARE - BASIC AND DILUTED		
	Basic earnings per share		
	Net Profit for the period	Rupees 4,217,473,277	658,537,265
	Weighted average number of ordinary shares outstanding during the period - Note 5	Number 60,445,964	60,445,964
	Basic earnings per share	Rupees 69.77	10.89

12.1 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, 2024 and September 30, 2023, which would have any effect on earnings per share if the option to convert is exercised.

		Un-audited July - Sep 2024	Un-audited July - Sep 2023
		Rupees	Rupees
13	BALANCES AND TRANSACTIONS WITH RELATED PARTIES		
	Related party		
	Relationship		
	Nature of Transaction		
	Pak Tractor Manufacturing Company (Private) Limited	Associate	Receipt against sales
		397,259	-
	Power Vision Systems (Private) Limited	Associate	Payment against purchases
		46,285	-
	Non-executive directors		Meeting fee paid
		630,000	540,000
		-	20,834,480
		-	17,334,480
	Key management personnel		Remuneration, allowances and benefits
		56,483,093	36,310,348
	Other executives		Remuneration, allowances and benefits
		6,449,876	4,072,983
	Relatives of directors		Sale of goods - vehicles
		10,058,750	-
		10,058,750	-

		Un-audited September 30, 2024	Audited June 30, 2024
		Rupees	Rupees
	BALANCES OUSTANDING FOR THE PERIOD / YEAR ENDED		
	Pak Tractor Manufacturing Company (Private) Limited	Trade debts	1,191,776
		1,191,776	1,589,035
	Power Vision Systems (Private) Limited	Payable	-
		-	46,286

NOTES

TO THE CONDENSED INTERIM FINANCIAL STATEMENTS UN-AUDITED

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Un-audited July - Sep 2024 Rupees	Un-audited July - Sep 2023 Rupees
14 SEGMENT RESULTS		
Segment Revenue - Net - External		
Home appliances	-	-
Automotive parts	158,101,185	255,507,083
Automobiles - three Wheeler	2,081,971,475	1,103,906,658
Automobiles - four Wheeler	24,091,921,365	6,684,850,706
Total	26,331,994,025	8,044,264,447
Segment operating results		
Home appliances	(15,270)	(33,534)
Automotive parts	2,033,127	6,824,084
Automobiles - three Wheeler	47,049,980	33,312,134
Automobiles - four Wheeler	6,708,531,167	1,105,889,438
Total	6,757,599,004	1,145,992,122

15 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on October 26, 2024 have declared an interim cash dividend of Rs. 10.00 (September 30, 2023: Nil) per share i.e., 100.00% (September 30, 2023: Nil) for the year ending June 30, 2025 amounting to Rs. 604.46 million (September 30, 2023: Nil). These condensed interim financial statements do not include the effect of above interim dividend which will be accounted for in the subsequent period.

16 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 financial statements except the following:

Reclassified From	Reclassified To	Nature	Un-audited July - Sep 2024	Un-audited July - Sep 2023
Taxation	Levy / final taxation (face of the statement of Profit or Loss)	Levy / final taxation	450,270	174,378

17 DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Company has authorized these condensed interim financial statements for issue on October 26, 2024.

18 GENERAL

18.1 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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