



QUARTERLY FINANCIAL STATEMENTS

(UN-AUDITED)

March 31, 2023



SAZGAR
ENGINEERING WORKS LIMITED

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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Vision

Dynamic, Quality Conscious and Ever Progressive

Mission

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

Corporate Strategy

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

COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Saira Asad Hameed
Chairperson/Non-Executive Director

Mr. Mian Asad Hameed
Chief Executive

Mr. Saeed Iqbal Khan
Executive Director

Mr. Mian Muhammad Ali Hameed
Executive Director

Mrs. Sana Suleyman
Non-Executive Director

Mr. Humza Amjad Wazir
Non-Executive Director

Mr. Umair Ejaz
Independent Director

Mr. 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

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

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

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 Limited
Askari Bank Limited
Dubai Islamic Bank Pakistan Limited

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2023 کو مکمل ہونے والی تیسری سہ ماہی اور نو ماہی کے لئے کمپنی کے معاملات پر بخوشی اپنا جائزہ پیش کرتے ہیں۔

مختصر جائزہ:

غیر ملکی سیاسی صورت حال، بڑھ رہے والے ذرائع، پاکستانی روپے کی قدر میں کمی، پاکستانی روپے کی قدر میں کمی، KIBOR میں اضافہ، مہنگائی کی بڑھتی ہوئی شرح، اور ایندھن کی بلند قیمتوں جیسے مختلف چیلنجز کی وجہ سے معاشی حالات روز بروز خراب ہوتے جا رہے ہیں۔ ریگولیشنز کی کام لے گاڑیوں کی CKDs کی درآمد کے لئے LCs کھولنے کی پابندیوں میں نرمی نہیں کی ہے۔

آپ کی کمپنی کسی اشتہاء کے بغیر زیر جائزہ مدت کے دوران خام مال کی سپلائی چین میں قفل کے ساتھ ان چیلنجز کا بھی سامنا کر رہی ہے جس کی وجہ سے فوری پلاٹ (کار پلانٹ) کو ایک ہفتے کے لئے بند بھی کرنا پڑا۔ کمپنی گاڑیوں کی CKDs اور خام مال کی انویسٹری کی سطحیں مسلسل کمی کو مد نظر رکھتے ہوئے نئی LCs کے قیام کے لئے بنکوں کی سختی سے ہمدردی کر رہی ہے۔

الٹرنیٹو کمپنی کی تیسری سہ ماہی کے مالیاتی نتائج گزشتہ مالی سال کی اسی مدت کے مقابلہ میں کمپنی کی مالی حالت میں بہتری کو ظاہر کر رہے ہیں۔ کمپنی کی نیٹ آؤٹ میں 78.04 فی صد بڑھوتری ہوئی ہے۔ "HAVAL" برائے کامیابی سے SUV کی کمپنی میں اپنی پوزیشن مضبوط کر رہا ہے۔

مجموعی طور پر نو ماہی کے دوران، آؤٹ لیٹر نے گزشتہ مالی سال کی اسی مدت کے مقابلہ میں زیر جائزہ مدت کے دوران فروخت کے حجم میں (35.05) فی صد کمی ظاہر کی ہے۔ حصہ دار: مسافر گاڑیاں (45.92) فی صد تھری ویلر گاڑیاں (48.29) فی صد اور ڈیڑھ لیٹر (48.96) فی صد۔ (ذرائع: پاکستان آٹوموبیل ایسوسی ایشن)۔

مالیاتی نتائج:

تیسری سہ ماہی کے دوران، مجموعی فروخت 176.33 فی صد اضافہ کے ساتھ پچھلے مالیاتی سال کی تیسری سہ ماہی کے مقابلہ میں 2,859.89 ملین روپے سے بڑھ کر 7,902.87 ملین روپے ہو گئی ہے، مجموعی منافع 393.46 فی صد اضافہ کے ساتھ 176.51 ملین روپے سے بڑھ کر 871.00 ملین روپے ہو گیا ہے، قبل از ٹیکس منافع 772.97 فی صد اضافہ کے ساتھ 75.36 ملین روپے سے بڑھ کر 657.91 ملین روپے ہو گیا ہے۔

اس سال کی نو ماہی کے دوران مجموعی فروخت 78.04 فی صد اضافہ کے ساتھ پچھلے مالیاتی سال کی نو ماہی کے مقابلہ میں 7.07 ملین روپے سے بڑھ کر 12.59 ملین روپے ہو گئی ہے، مجموعی منافع 131.61 فی صد اضافہ سے 557.55 ملین روپے سے بڑھ کر 1,291.34 ملین روپے ہو گیا ہے، قبل از ٹیکس منافع 160.79 فی صد اضافہ سے 290.09 ملین روپے سے بڑھ کر 756.54 ملین روپے ہو گیا ہے اور آمدنی فی حصص 1.95 روپے سے بڑھ کر 8.66 روپے ہو گئی ہے۔ نو ماہی کی مجموعی فروخت میں فوری ویلر کی مجموعی فروخت 10,055.02 ملین روپے تھری ویلر 2,181.03 ملین روپے اور ڈیڑھ لیٹر 356.47 ملین روپے شامل ہے۔

فوری ویلر تھری ویلر اور ڈیڑھ لیٹر کی پیدوار اور فروخت کے حجم کا خلاصہ ذیل میں دیا گیا ہے:-

تفصیل	اینت / پیکٹ	تیسری سہ ماہی 2022-23		تیسری سہ ماہی 2021-22		بڑھوتری / (کمی) فی صد	
		فروخت	پیداوار	فروخت	پیداوار	فروخت	پیداوار
نمبر	نمبر	864	624	126	124	403.23 فی صد	585.71 فی صد
تقریباً	تقریباً	3,993	2,442	6,146	5,041	(51.56) فی صد	(35.03) فی صد
ڈیڑھ لیٹر	ڈیڑھ لیٹر	10,202	9,951	23,717	21,691	(54.12) فی صد	(56.98) فی صد

کمپنی کے ڈائریکٹرز کا انتخاب:

18 مارچ، 2023 کو منعقد ہونے والے غیر معمولی اجلاس عام میں کیا گیا تھا اور ریزولوشن 2023 سے شروع ہونے والی تین سال کی مدت کے لئے تشکیل دیا گیا ہے۔ منتخب ہونے والے نو (9) ڈائریکٹرز کے نام

ذیل میں دیئے گئے ہیں:

- | | | |
|------------------------------------|----------------------------------|---------------------------------------|
| 1. جناب میاں اسمجد | 2. جناب سعید اقبال خان | 3. مسز سائرہ اسمجد |
| 4. جناب میاں محمد علی سعید | 5. مسز شاہ سلیمان | 6. جناب حمزہ امجد زبیر |
| 7. جناب عمیر اعجاز (آراڈا انریکٹر) | 8. جناب طہ محمود (آراڈا انریکٹر) | 9. جناب محمد عمر سعید (آراڈا انریکٹر) |

چیئر پرسن، چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹرز کی تقرری:

پورے 28 مارچ 2023ء سے شروع ہونے والی تین سال کی مدت کے لئے مسز سائرہ اسمجد کو چیئر پرسن، جناب میاں اسمجد کو چیف ایگزیکٹو، جناب سعید اقبال خان کو ایگزیکٹو ڈائریکٹر بطور "چیف آپریٹنگ آفیسر (COO) - قمری ویلز اور آٹوموبیل پائرس ڈویژن" اور جناب میاں محمد علی سعید کو چیف ایگزیکٹو ڈائریکٹر بطور "چیف آپریٹنگ آفیسر (COO) - کارڈویژن" مقرر کیا ہے۔ پورے چیف ایگزیکٹو کا 3.50 ملین روپے، چیف آپریٹنگ آفیسر - قمری ویلز اور آٹوموبیل پائرس ڈویژن کا 1.70 ملین روپے اور چیف آپریٹنگ آفیسر - کارڈویژن کا 0.750 ملین روپے نیٹ آف ٹیکس ماہانہ شاہ رو بمبر ان مہدوں سے واپس دیکر فوائد کے ساتھ بھی مقرر کیا ہے۔

مشغلیں پر غور نظر:

کمپنی کو آنے والے دنوں میں گاڑیوں کی CKDs کی درآمد کے لئے LCs کھولنے پر پابندیوں، پاکستانی روپے کی قدر میں کمی، بینکنگ کے بڑھتے ہوئے رجحان، توانائی، ایجنسی کی قیمت اور KIBOR میں اضافہ جیسے متعدد چیلنجز کا سامنا کرنا پڑے گا۔ انڈیکسٹریل چیلنجز کی وجہ سے دہلا میں رہے گا۔


توقع ہے کہ حکومت موجودہ معاشی بحران کو حل کرنے کے لئے آئی ایم ایف پروگرام کی تکمیل سے فوراً ٹھوس اقدامات کرے گی اور آنے والے ادوار میں صنعتی شعبوں کی بحالی اور استحکام کے لئے کاروباری دوستانہ ماحول فراہم کرے گی کیونکہ تاخیر سے ملک کے معاشی حالات مزید خراب ہوں گے۔


آپ کی کمپنی موجودہ معاشی حالات کے باوجود اللہ تعالیٰ کے فضل و کرم سے قمری ویلز اور ڈیویژن کی بنگلہ اور ڈیویژنوں کے آرڈرز مسلسل حاصل کر رہی ہے۔

آپ کی کمپنی گاڑیوں کی CKD اور خام مال کی درآمد کے لئے لیٹرف آف کریڈٹ کھولنے کے لئے اپنی طرف سے بھرپور کوشش کر رہی ہے تاکہ گاڑیوں کے آپریٹنگ کے تسلسل کو برقرار رکھتے ہوئے صارفین کو مصنوعات مقررہ اوقات میں فراہم کی جاسکیں۔

ڈائریکٹرز کمپنی کے ملازمین کی انتھک کوششوں، ٹیم ورک اور لگن جس 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 بھائی کے ساتھ مسلسل تعاون کرنے پر بھی شکر گزار ہیں۔

پورے ڈائریکٹرز کی جانب سے


سعید اقبال خان
ڈائریکٹر


میاں اسمجد
چیف ایگزیکٹو

لاہور

مورخہ 17 اپریل 2023

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, 2023:

Brief Overview:

The economic conditions are worsening day by day on account of various challenges like political uncertainty, decline in foreign exchange reserves, devaluation of Pak Rupee, highest KIBOR, rising inflation rate and high fuel prices. The regulatory authorities have not relaxed the restrictions for opening of LCs' for the import of CKDs' of vehicles.

Without any exception, your Company is also facing these challenges along with disturbed supply chain of raw materials due to which the Company has to declare shut down of four wheeler plant (car plant) for a week during the period under review. Considering the constant depleting inventory levels of raw materials and CKDs' of vehicles, the Company is rigorously pursuing the banks for the establishment of new LCs.

Al-hamdolillah, the financial results for the 3rd quarter are showing an improvement in financial position of the Company compared with the corresponding period of last financial year. The Company has registered a 78.04% growth in sales revenue. The "HAVAL" brand is successfully consolidating its market position in SUV category.

Cumulatively during nine months, the Auto Sector has shown an overall decline of (35.05)% in sales volume during the period under review compared with the corresponding period of last financial year. Segment wise position is: passenger vehicles (45.92)%, three wheelers vehicles (48.29)% and tractors (48.96)%. (Source: PAMA)

Financial Results:

During the 3rd quarter, the sales has increased by 176.33% from Rs. 2,859.89 M to Rs. 7,902.87 M, gross profit by 393.46% from Rs.176.51 M to Rs. 871.00 M and pre-tax profit by 772.97% from Rs. 75.36 M to Rs. 657.91 M compared with corresponding period of last year.

The cumulatively nine months' sales has increased by 78.04% from Rs. 7.07 Billion to Rs.12.59 Billion, gross profit by 131.61% from Rs. 557.55 M to Rs.1291.34M, and pre-tax profit by 160.79% from Rs.290.09 M to Rs. 756.54 M and earning per share from Rs 1.95 to Rs. 8.66 as compared with the corresponding period of last year. The nine months' sale is comprised of Rs. 10,055.02M of Four Wheelers, Rs. 2,181.03 M of Three Wheelers and Rs. 356.47 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 2022-23		Third Quarter 2021-22		Increase / (Decrease)%		Nine Months 2022-23		Nine Months 2021-22		Increase / (Decrease)%	
		Production	Sale	Production	Sale	Production	Sale	Production	Sale	Production	Sale	Production	Sale
Four Wheeler	No.	624	864	124	126	403.23%	585.71%	1,368	1,361	185	170	639.46%	700.59%
Three Wheeler	No.	2,442	3,993	5,041	6,146	(51.56)%	(35.03)%	7,690	7,861	12,899	11,803	(40.38)%	(33.40)%
Tractor Wheel Rims	No.	9,951	10,202	21,691	23,717	(54.12)%	(56.98)%	28,360	27,011	53,448	53,359	(46.94)%	(49.38)%

Election of Directors:

The election of directors of the Company was held as on March 18, 2023 in the Extra ordinary General Meeting of the Company and new Board has been constituted for a period of three years commencing from March 20, 2023. The names of nine (9) newly elected directors are given below:

1. Mr. Mian Asad Hameed
2. Mr. Saeed Iqbal Khan
3. Mrs. Saira Asad Hameed
4. Mr. Mian Muhammad Ali Hameed
5. Mrs. Sana Suleyman
6. Mr. Humza Amjad Wazir
7. Mr. Umair Ejaz (Independent Director)
8. Mr. Taha Mahmood (Independent Director)
9. Mr. Muhammad Omer Saeed (Independent Director)

Appointment of Chairperson, Chief Executive and Executive Directors:

The Board has appointed Mrs. Saira Asad Hameed as Chairperson, Mr. Mian Asad Hameed as Chief Executive, Mr. Saeed Iqbal Khan as Executive Director under the designation of "Chief Operating Officer (COO)-Three Wheeler & Automotive Parts Division" of the Company and Mr. Mian Muhammad Ali Hameed as Executive Director under the designation of "Chief Operating Officer (COO)-Car Division" of the Company as on March 28, 2023 for a period of three years commencing from March 28, 2023. The Board has also fixed the net of tax monthly Remuneration of Chief Executive at Rs. 3.50 M, COO-Three Wheelers & Automotive Parts Division at Rs. 1.70 M and COO-Car Division at Rs. 0.750 M along with other benefits associated with these positions.

Future Outlook:

There are multiple challenges ahead of the period under review which the Company will have to face in form of restrictions on opening of LCs for import of raw materials & CKDs of vehicles, devaluation of Pak Rupee, rising inflationary trend, increase in energy cost, fuel prices and KIBOR. The Auto Sector shall remain under pressure due to these challenges.

It is expected that the Government shall take immediate concrete steps including completion of IMF program to resolve the prevailing economic crisis and shall provide the business friendly environment for the recovery and sustainability of the industrial sectors in the periods to come because the delay will further worsen the economic conditions of the country.

Despite of the prevailing economic conditions, your Company is receiving bookings of Three Wheelers and Four Wheelers vehicles and orders of tractor wheel rims constantly **By the Grace of Almighty ALLAH.**

Your Company is trying its level best to open letter of credits for the import of CKD of vehicles and raw materials to maintain the continuity of its operations and delivery of products to the customers within time line.

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: 17-04-2023


Mian Asad Hameed
(Chief Executive)


Saeed Iqbal Khan
(Director)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2023**

	Note	Un-audited	Audited
		March 31,	June 30,
		2023	2022
		Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	4.1	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital	4.2	604,459,640	604,459,640
Capital reserve - share premium account		557,406,192	557,406,192
Revenue reserve - un-appropriated profit		1,315,838,442	792,093,365
		2,477,704,274	1,953,959,197
LIABILITIES			
NON CURRENT LIABILITIES			
Long term financing		393,421,222	510,383,878
Deferred liabilities		342,008,437	295,513,621
Deferred grant		-	558,743
Deferred revenue		6,318,422	3,111,783
CURRENT LIABILITIES			
Trade and other payables		3,303,223,220	2,498,331,108
Unclaimed dividend		1,407,358	1,407,358
Profit accrued on loans and other payables		24,724,118	34,835,623
Short term borrowings		-	162,875,560
Current portion of long term liabilities		180,571,229	195,141,340
		3,509,925,925	2,892,590,989
CONTINGENCIES AND COMMITMENTS			
	5	-	-
TOTAL EQUITY AND LIABILITIES			
		6,729,378,280	5,656,118,211
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	2,842,123,983	2,640,250,123
Intangible assets	7	216,126	284,624
Long term loans and advances		24,867,162	21,752,978
Long term deposits		6,784,855	5,871,855
Deferred taxation		136,720,585	178,768,131
CURRENT ASSETS			
Stores, spares and loose tools		14,401,803	7,520,318
Stock-in-trade		2,532,652,117	1,741,815,484
Trade debts		210,676,597	179,841,812
Loans & advances		68,741,184	53,912,676
Trade deposits and short term prepayments		521,513,684	451,046,555
Other receivables		356,863,898	202,011,176
Cash and bank balances		13,816,286	173,042,479
		3,718,665,569	2,809,190,500
TOTAL ASSETS			
		6,729,378,280	5,656,118,211

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


Saeed Iqbal Khan
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2023**

	NOTE	Third Quarter Ended		Nine Months Ended	
		Jan - Mar 2023	Jan - Mar 2022	July - Mar 2023	July - Mar 2022
		Rupees	Rupees	Rupees	Rupees
Sales - net	8	7,902,870,794	2,859,890,728	12,593,016,354	7,073,227,219
Cost of sales	9	7,031,862,864	2,683,379,711	11,301,677,995	6,515,677,705
Gross profit		871,007,930	176,511,017	1,291,338,359	557,549,514
Distribution and marketing costs		87,848,550	51,878,201	217,800,691	121,663,220
Administrative expenses		48,783,797	35,801,779	147,451,290	107,743,895
Other operating expenses		47,841,382	3,975,295	53,939,609	16,337,864
		184,473,729	91,655,275	419,191,590	245,744,979
		686,534,201	84,855,742	872,146,769	311,804,535
Other income		13,835,564	4,544,273	17,608,203	10,073,755
Operating profit before finance cost		700,369,765	89,400,015	889,754,972	321,878,290
Finance cost		42,462,147	14,035,771	133,218,417	31,786,100
Profit before taxation		657,907,618	75,364,244	756,536,555	290,092,190
Taxation	10	213,277,025	50,515,465	232,791,478	172,094,590
Profit after taxation		444,630,593	24,848,779	523,745,077	117,997,600
Earnings per share - basic and diluted	11	7.36	0.41	8.66	1.95

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


Saeed Iqbal Khan
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2023**

Third Quarter Ended		Nine Months Ended	
Jan - Mar 2023	Jan - Mar 2022	July - Mar 2023	July - Mar 2022
Rupees	Rupees	Rupees	Rupees

PROFIT AFTER TAXATION FOR THE PERIOD	444,630,593	24,848,779	523,745,077	117,997,600
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	444,630,593	24,848,779	523,745,077	117,997,600

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


 MIAN ASAD HAMEED
 CHIEF EXECUTIVE


 Saeed Iqbal Khan
 DIRECTOR


 MUHAMMAD ATIF RAO
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	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	<u>604,459,640</u>	<u>557,406,192</u>	<u>795,983,543</u>	<u>1,957,849,375</u>
Balance as at June 30, 2022 - audited	604,459,640	557,406,192	792,093,365	1,953,959,197
Comprehensive income for the period				
Profit after taxation	-	-	523,745,077	523,745,077
Comprehensive Income / (loss)	-	-	-	-
Total comprehensive income for the period ended March 31, 2023	-	-	523,745,077	523,745,077
Balance as at March 31, 2023 - Un-audited	<u>604,459,640</u>	<u>557,406,192</u>	<u>1,315,838,442</u>	<u>2,477,704,274</u>

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


 MIAN ASAD HAMEED
 CHIEF EXECUTIVE


 Saeed Iqbal Khan
 DIRECTOR


 MUHAMMAD ATIF RAO
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	Nine Months Ended	
	July - Mar 2023	July - Mar 2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	756,536,555	290,092,190
Adjustment for non cash charges and other items:		
Depreciation	169,063,005	105,528,497
Amortization	68,498	73,550
Provision for staff retirement gratuity	55,583,012	38,933,646
Increase in deferred revenue	5,939,075	2,524,615
Workers' profit participation fund	40,534,364	15,291,614
Workers' welfare fund	11,779,694	-
Finance cost	133,218,417	31,786,100
Other income	(17,608,203)	(10,073,755)
	398,577,862	184,064,267
Working capital changes		
(Increase)/Decrease in current assets		
Store, spares and loose tools	(6,881,485)	(8,315,081)
Stock-in-trade	(790,836,633)	(938,994,391)
Trade debts	(30,834,785)	(51,687,223)
Loans & advances	(14,828,508)	(9,483,534)
Trade deposits and short term prepayments	(70,467,129)	1,092,287,708
(Decrease) / Increase in current liabilities		
Trade and other payables	800,864,596	78,022,777
(Decrease) / Increase in long term loans and advances	(3,114,184)	(6,871,310)
	(116,098,128)	154,958,946
Cash generated from operations	1,039,016,289	629,115,403
Finance cost paid	(143,329,922)	(33,701,430)
Income tax paid/deducted at source	(379,063,734)	(221,392,837)
Employees retirement benefit - gratuity paid	(9,088,196)	(3,319,255)
Workers' profit participation fund paid	(13,889,528)	(5,543,487)
Net cash generated from operating activities	493,644,909	365,158,394
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(371,306,168)	(372,198,909)
Increase in long term deposits	(913,000)	(992,000)
Proceeds from sale of property, plant and equipment	1,585,000	3,685,000
Net cash used in investing activities	(370,634,168)	(369,505,909)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term financing	-	114,057,696
Repayment of long term financing	(134,823,946)	(34,497,791)
Proceeds from short term borrowings	4,873,084,582	2,369,112,121
Repayment of short term borrowings	(5,035,960,142)	(2,330,294,721)
Profit on bank deposits	15,462,572	5,160,942
Net cash (used in) / generated from financing activities	(282,236,934)	123,538,247
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(159,226,193)	119,190,732
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	173,042,479	14,977,092
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	13,816,286	134,167,824

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


Saeed Iqbal Khan
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2023

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-Alli 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 Maghrabi Tanki-1 Link Road, Near Jjtimah Chowk, Sundar Raiwind Road, Lahore.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements (un-audited) of the Company for the nine months ended March 31, 2023 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, 2022.

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, 2022.

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, 2022.

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, 2022.

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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2023**

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, 2023. 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		Audited			Un-audited		Audited	
March 31, 2023		June 30, 2022			March 31, 2023		June 30, 2022	
Number		Number			Rupees		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		39,082,964		ordinary shares of Rupees 10/- each allotted as bonus shares.	390,829,640		390,829,640	
60,445,964		60,445,964			604,459,640		604,459,640	

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no significant change in contingencies from the preceding annual published financial statements of the Company for the year ended June 30, 2022, except the following;

- 5.1.1 DCIR passed an order as on January 27, 2023 under section 11 (2) of Sales Tax Act, 1990 for the tax periods from July-2019 to June-2021 and created a demand of Rs. 177,877,849/-. The Company filed an appeal against this order with CIR (A) as on March 08, 2023. The Proceedings are still pending. In the opinion of tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.
- 5.1.2 DCIR passed an order as on January 27, 2023 under section 11 (2) of Sales Tax Act, 1990 for the tax periods from July-2020 to June-2021 and created a demand of Rs. 226,283,805/-. The Company filed an appeal against this order with CIR (A) as on February 23, 2023. The Proceedings are still pending. In the opinion of tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.
- 5.1.3 DCIR passed an order as on January 27, 2023 under section 11 (2) of Sales Tax Act, 1990 for the tax periods from January 2014 to February 2017 and created a demand of Rs. 6,770,083/-. The Company filed an appeal against this order with CIR (A) as on February 23, 2023. Proceedings are still pending. In the opinion of tax consultant, favorable outcome of the appeal is expected, hence no provision is 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. 1,655.28 Million (June 30, 2022: Rs. 2232.26 Million).
- 5.2.2 Commitments in respect of capital expenditures amount to Rs. 16.62 Million (June 30, 2022: Rs. 70.78 Million) and bank guarantee of Rs. 19.77 Million (June 30, 2022: Rs. 5.37 Million).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2023**

	NOTE	Un-audited	Audited		
		March 31, 2023 Rupees	June 30, 2022 Rupees		
6	PROPERTY, PLANT AND EQUIPMENT				
Operating fixed assets - tangible	6.1	2,376,834,943	1,746,923,699		
Capital work in progress	6.2	335,289,040	799,326,424		
Advance for purchase of land		130,000,000	94,000,000		
		2,842,123,983	2,640,250,123		
6.1 OPERATING FIXED ASSETS - tangible					
Opening book value		1,746,923,699	344,171,829		
Add:					
Additions during the period (at cost)					
- Building and civil works on freehold land		-	402,835,059		
- Plant and machinery		780,053,749	1,037,850,092		
- Electric fittings		3,093,213	102,000		
- Furniture and fittings		3,532,710	2,601,085		
- Office equipment		6,825,455	3,838,695		
- Electric installations		3,888,425	47,996,487		
- Vehicles		1,950,000	57,380,100		
		799,343,552	1,552,603,518		
Less:					
Disposal during the period (at net book value)					
- Vehicles		369,303	1,278,079		
Depreciation charged during the period		169,063,005	148,573,568		
		169,432,308	149,851,647		
Closing book value		2,376,834,943	1,746,923,699		
6.2 CAPITAL WORK IN PROGRESS					
Opening balance		799,326,424	1,454,249,214		
Additions during the period					
- Plant and machinery		228,555,618	792,789,002		
- Building and civil works on freehold land		77,513,627	33,712,147		
		306,069,245	826,501,149		
Less Transferred to fixed assets during the period					
- Plant and machinery		770,106,629	1,033,375,092		
- Building and civil works on freehold land		-	402,835,059		
- Electric installations		-	45,213,788		
		770,106,629	1,481,423,939		
Closing Balance		335,289,040	799,326,424		
7 INTANGIBLE ASSETS					
Opening book value		284,624	382,691		
Less: amortization charged during the period		68,498	98,067		
Closing book value		216,126	284,624		
8 SALES - NET					
Gross sales	8.1	9,641,324,669	3,514,056,672	15,517,008,125	8,777,817,316
Less: Sales tax		1,148,556,802	499,340,414	1,954,828,266	1,232,945,890
Federal excise duty		319,234,879	37,054,843	499,401,744	41,878,106
Sales returns		160,140,628	84,589,765	274,304,460	314,536,086
Commission		110,521,566	33,180,922	195,457,301	115,230,015
		1,738,453,875	654,165,944	2,923,991,771	1,704,590,097
		7,902,870,794	2,859,890,728	12,593,016,354	7,073,227,219
8.1		This includes Rs. 29.31 million (March 31, 2022: Rs. 25.31 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.			

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2023**

	Un-audited		Un-audited	
	Jan - Mar	Jan - Mar	July - Mar	July - Mar
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
9 COST OF SALES				
Raw materials and components consumed	4,853,781,747	1,915,004,417	10,343,346,373	3,807,366,695
Salaries, wages and other benefits	187,993,808	135,823,192	498,892,235	358,938,880
Stores, spares and loose tools consumed	12,951,549	16,839,663	75,697,467	41,760,260
Power and fuel charges	74,297,388	41,619,707	208,318,651	106,725,633
Repair and maintenance	17,164,550	34,184,433	84,573,480	92,790,567
Other expenses	3,185,342	2,603,200	9,918,961	10,097,077
Depreciation & amortization	56,119,365	41,424,264	155,086,270	96,295,412
	5,205,493,749	2,187,498,877	11,375,833,437	4,513,974,524
Opening work-in-process	95,325,853	27,509,801	57,165,012	31,392,103
Closing work-in-process	(86,856,342)	(36,660,837)	(86,856,342)	(36,660,837)
Cost of goods manufactured	5,213,963,260	2,178,347,841	11,346,142,107	4,508,705,790
Opening finished goods	2,283,820,291	1,235,796,864	421,456,575	232,678,794
Cost of finished goods purchased	-	-	-	2,505,058,114
Closing finished goods	(465,920,687)	(730,764,993)	(465,920,687)	(730,764,993)
	7,031,862,864	2,683,379,711	11,301,677,995	6,515,677,705
10 TAXATION				
Current				
For the period	130,625,956	60,971,692	190,743,933	224,287,321
Prior period	-	-	-	(748,867)
Deferred				
For the period	82,651,069	(10,456,227)	42,047,545	(51,443,864)
	213,277,025	50,515,465	232,791,478	172,094,590
11 EARNINGS PER SHARE - BASIC AND DILUTED				
Basic earnings per share				
Profit after taxation for the period	Rupees 444,630,593	24,848,779	523,745,077	117,997,600
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 7.36	0.41	8.66	1.95
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, 2023 and March 31, 2022, which would have any effect on earning per share if the option to convert is exercised.				
		Un-audited	Un-audited	
		July - Mar	July - Mar	
		2023	2022	
		Rupees	Rupees	
12 TRANSACTIONS WITH RELATED PARTIES				
Non-Executive Director (s)				
Meeting fee		1,020,000	800,000	
Travelling, boarding and lodging expenses		100,000	50,000	
Key Management Personnel				
Remuneration, allowances and benefits		66,615,989	50,103,351	
Other Executive				
Remuneration, allowances and benefits		6,030,000	3,893,000	

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2023**

	Un-audited	Un-audited	Un-audited	Un-audited
	Jan - Mar 2023	Jan - Mar 2022	July - Mar 2023	July - Mar 2022
	Rupees	Rupees	Rupees	Rupees
13 SEGMENT RESULTS				
Segment Revenue - Net - External				
Home appliances	10,256	465,000	494,095	671,400
Automotive parts	140,301,378	250,823,512	356,465,003	546,814,560
Automobiles - three Wheeler	1,104,277,734	1,474,410,048	2,181,033,839	2,728,518,864
Automobiles - four Wheeler	6,658,281,426	1,134,192,168	10,055,023,417	3,797,222,395
Total	7,902,870,794	2,859,890,728	12,593,016,354	7,073,227,219
Segment operating results				
Home appliances	2,266	(14,637)	91,822	(23,016)
Automotive parts	269,101	3,645,415	1,219,852	9,365,535
Automobiles - three Wheeler	14,517,465	59,102,230	42,659,877	132,620,591
Automobiles - four Wheeler	718,802,226	26,098,029	880,489,276	185,133,038
Total	733,591,058	88,831,037	924,460,827	327,096,149

14 DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Company has authorized these condensed interim financial statements for issue on April 17, 2023.

15 GENERAL

15.1 The figures have been rounded off to the nearest Rupee.


MIAN ASAD HAMEED
CHIEF EXECUTIVE


Saeed Iqbal Khan
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER



SAZGAR CITY DEVELOPMENT



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