

# QUARTERLY FINANCIAL STATEMENTS

(UN-AUDITED)

SEPTEMBER 30, 2023



— S A Z G A R —

ENGINEERING WORKS LIMITED

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



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## Vision

Dynamic, Quality Conscious and Ever Progressive

## Mission

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

## Corporate Strategy

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



## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mrs. Saira Asad Hameed  
Chairperson/Non-Executive Director

Mr. Mian Asad Hameed  
Chief Executive

Mr. Saeed Iqbal Khan  
Executive Director

Mr. Mian Muhammad Ali Hameed  
Executive Director

Mrs. Sana Suleyman  
Non-Executive Director

Mr. Humza Amjad Wazir  
Non-Executive Director

Mr. Umair Ejaz  
Independent Director

Mr. 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](http://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

**Car Plant:**  
Maghrabi Tanki-1, Link Road, near Ijtimah  
Chowk, Sundar-Raiwind Road, Raiwind, Lahore, Pakistan.  
Ph: +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

Saeed Kamran & 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  
The Bank of Punjab  
Al Baraka Bank (Pakistan) Limited



## ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2023 کو مکمل ہونے والی پہلی سرمایہ کے لئے کمپنی کے معاملات پر بخوشی اپنا جائزہ پیش کرتے ہیں۔

### مختصر جائزہ:

آؤٹیکٹرا پی ہا کے لئے جدوجہد کر رہا ہے اور اس سلسلے میں اسے متعدد چیلنجز کا سامنا ہے۔ تاہم، زیر جائزہ مدت کے دوران، حکومت کی جانب سے معیشت کے استحکام کے لئے اٹھائے گئے اصلاحی اقدامات کی وجہ سے پاکستانی روپے نے غیر ملکی کرنسیوں کے مقابلہ میں خاطر خواہ بحالی ظاہر کی ہے۔ آئی ایم ایف کی جانب سے 3.00 بلین امریکی ڈالر نو ماہ کے لئے سٹینڈ بائی اراٹمنٹ کے سبب انتظامات نے پاکستانی کرنسی کو مزید مضبوط کیا ہے۔ ریگولیٹری اتھارٹیز کی جانب سے درآمدات پر پابندیوں میں نرمی نے چھوٹے پیمانے پر گارڈوں کی CKDs درآمد کرنے کے لئے LCs کھولنے میں بھی اہمیت فراہم کی ہے۔ یہ عوامل کاروباری لاگت کم کرنے اور ملک میں معاشی سرگرمیوں کو بڑھانے میں معاون ثابت ہوں گے۔

زیر جائزہ مدت کے دوران، آؤٹیکٹرا کے فروخت کے حجم میں مجموعی طور پر (11.46) فی صد کی نمایاں کمی ہوئی ہے۔ حصہ دار: مسافر گاڑیاں (43.93) فی صد، ٹور اور تھری ویلرز گاڑیاں (9.86) فی صد جبکہ ٹریکٹرز کی فروخت میں 64.09 فی صد کے حساب سے اضافہ ہوا ہے۔ (ذرائع: پاکستان آٹوموٹیو نیٹ ورکس، ڈی ایچ ایف)۔

اللہ کے فضل و کرم سے، کمپنی نے گزشتہ مالی سال کی اسی مدت کے مقابلہ میں زیر جائزہ مدت کے دوران فورویلرز، تھری ویلرز اور ٹریکٹرز کی پیداوار اور فروخت کے حجم میں اضافہ کو دکھایا ہے۔

### مالیاتی نتائج:

کمپنی کی اس سرمایہ میں مجموعی فروخت 6,513.77 ملین روپے اضافہ کے ساتھ پچھلے مالیاتی سال کی سرمایہ کے مقابلہ میں 1,530.49 ملین روپے سے بڑھ کر 8,044.26 ملین روپے ہوئی ہے، مجموعی منافع 1,317.44 ملین روپے اضافہ کے ساتھ 193.14 ملین روپے سے بڑھ کر 1,510.57 ملین روپے ہو گیا ہے، قبل از ٹیکس منافع 1,089.09 ملین روپے اضافہ کے ساتھ 20.28 ملین روپے سے بڑھ کر 1,109.37 ملین روپے ہو گیا ہے اور آمدنی فی حصص 0.18 روپے سے بڑھ کر 10.89 روپے ہو گئی ہے۔ مجموعی فروخت میں فورویلرز 6,684.85 ملین روپے (2022: 795.11 ملین روپے) تھری ویلرز 1,103.91 ملین روپے (2022: 614.34 ملین روپے) اور ٹریکٹرز 255.51 ملین روپے (2022: 120.63 ملین روپے) کی فروخت شامل ہے۔

فورویلرز، تھری ویلرز اور ٹریکٹرز کی پیداوار اور فروخت کے حجم کا خلاصہ ذیل میں دیا گیا ہے:-

تفصیل	پوزٹ ایپیکٹس	پہلی سرمایہ 2023-24		پہلی سرمایہ 2022-23	
		پیداوار	فروخت	پیداوار	فروخت
فورویلرز	نمبر	739	735	243	120
تھری ویلرز	نمبر	3,483	2,876	2,126	2,193
ٹریکٹرز ویلرز	نمبر	15,986	17,134	10,799	9,311

### مستقبل پر نقطہ نظر:

ملک کو افراط زر کی بلند سطح، KIBOR میں مسلسل اضافہ، توانائی کی قیمت میں اضافہ، معاشی سرگرمیوں میں سست روی، پاکستانی روپے کی قدر میں کمی، زرمبادلہ کے کم ذخائر اور غیر یقینی سیاسی حالات جیسے شدید معاشی بحران کا سامنا ہے آؤٹیکٹرا پی ہا کی رعایت کے ان متعدد چیلنجز کا سامنا کر رہا ہے اور ان حالات کے تحت شدید متاثر ہے۔




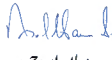
حکومت پاکستان موجودہ معاشی حالات سے پوری طرح آگاہ ہے اور ملک کو موجودہ معاشی بحران سے نکالنے کے لئے سنجیدگی سے اقدامات کر رہی ہے۔ آپ کی کمپنی مستقبل کے ادوار میں ملک میں معاشی حالات کی بحالی کے لئے پرامید ہے۔

کمپنی کے کاروبار کے مستقبل کے امکانات کے حوالے سے، کمپنی تفری و تیلر اور فوڈویئر کی بنگلہ حاصل کر رہی ہے جو کمپنی کو اس مشکل وقت سے آسانی سے گزارنے میں مدد دے گی۔ ٹریڈنگ کمپنی کی جانب سے آرڈر بڑھنے سے ٹریڈنگ ویل ریزی میں بھی اضافہ ہوا ہے۔ آپ کی کمپنی آنے والے عرصہ میں آمدنی اور منافع میں اضافہ کی توقع رکھتی ہے۔

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

بورڈ آف ڈائریکٹرز کی جانب سے

  
میاں محمد علی حمید  
ڈائریکٹر

  
میاں اسد حمید  
چیف ایگزیکٹو

لاہور

مورخہ 26 اکتوبر 2023



## 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, 2023.

### Brief Overview:

The Auto Sector is struggling for its survival and continuously facing multiple challenges in this regard. However, due to the remedial measures taken by the Government for the stabilization of economy, Pak Rupee has shown a substantial recovery against foreign currencies during the period under review. The extending of 9-months Stand By Arrangement (SBA) by IMF amounting US\$ 3.00 Billion has further strengthened the Pakistani Currency. The ease of restrictions on imports by the Regulatory Authorities has also facilitated for the opening of LCs' for the import of CKDs of vehicles on a small scale. These factors will contribute in reducing the cost of doing businesses and increasing the economic activities in the country.

During the period under review, the Auto Sector has shown an overall decline of (11.46)% in sales volume. Segment wise: passenger vehicles (43.93)%, two & three wheelers vehicles (9.86)% whereas tractors have shown a growth of 64.09%. (Source: PAMA)

By the Grace of Almighty Allah, the Company has shown a growing trend in the production and sales volume of four wheelers, three wheelers and tractor wheel rims during the period under review as compared with corresponding period of last year.

### Financial Results:

During this quarter, the Company's net sale has increased by 6,513.77 M from Rs. 1,530.49 M to Rs. 8,044.26 M, gross profit by 1,317.44 M from Rs. 193.14 M to Rs. 1,510.57 M, pretax profit by 1,089.09 M from Rs. 20.28 M to Rs. 1,109.37 M and earnings per share from Rs. 0.18 to Rs. 10.89 as compared to the corresponding period of last financial year. The sale is mainly comprised of Rs. 6,684.85 M (2022: Rs. 795.11 M) four wheelers, Rs. 1,103.91 M (2022: Rs. 614.34 M) three wheelers and Rs. 255.51 M (2022: Rs. 120.63 M) tractor wheel rims.

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

Description	U/M	First Quarter 2023-24		First Quarter 2022-23		Increase / (Decrease) %	
		Production	Sale	Production	Sale	Production	Sale
Four Wheelers	No.	739	735	243	120	204.12%	512.50%
Three Wheelers	No.	3,483	2,876	2,126	2,193	63.83%	31.14%
Tractor Wheel Rims	No.	15,986	17,134	10,799	9,311	48.03%	84.02%

### Future Outlook:

The country is confronting with severe economic crisis in form of higher level of inflation, constant rise in KIBOR, increase in energy cost, slow down in economic activities, devaluation in Pak Rupee, low foreign exchange reserves and uncertain political conditions. The auto sector, without any exception, is facing these multiple challenges and is badly hurt under the circumstances.

The Government of Pakistan is completely apprised of the current economic conditions and is seriously taking remedial measures to pull out the country from the present economic crisis. Your Company is hopeful for the recovery of economic conditions in the country in future periods.





Regarding the future prospects of the Company's business, the Company is receiving booking of three wheelers and four wheelers which shall help the company to pass this difficult time smoothly. The demand of tractor wheel rims is also increasing due to the rise in orders from the tractor assemblers. Your Company expects increase in revenue and profitability in the coming period.

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

For and on behalf of the Board

**Lahore**  
**Dated: 26-10-2023**

  
**Mian Asad Hameed**  
(Chief Executive)

  
**Mian Muhammad Ali Hameed**  
(Director)

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT SEPTEMBER 30, 2023**

	Note	Un-audited	Audited
		September 30, 2023	June 30, 2023
		Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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		2,411,719,495	1,753,182,230
		<b>3,573,585,327</b>	<b>2,915,048,062</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Long term financing		296,124,916	344,773,069
Deferred liabilities		419,658,292	392,826,050
Deferred revenue		8,284,287	6,915,405
<b>CURRENT LIABILITIES</b>			
Trade and other payables		6,361,858,815	3,809,918,412
Unclaimed dividend		1,407,358	1,407,358
Profit accrued on loans and other payables		25,996,472	23,362,697
Current portion of long term liabilities		201,723,895	190,881,934
		<b>6,590,986,540</b>	<b>4,025,570,401</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,888,639,362</b>	<b>7,685,132,987</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	3,057,354,120	2,861,287,076
Intangible assets	7	182,001	199,064
Long term loans and advances		16,041,234	13,593,831
Long term deposits		5,650,470	6,038,355
Deferred taxation		-	39,208,370
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		5,225,894	3,649,621
Stock-in-trade		3,671,737,568	1,680,009,484
Trade debts		380,158,386	270,284,774
Loans & advances		100,552,955	74,086,634
Trade deposits and short term prepayments		510,241,978	1,359,161,096
Other receivables		467,751,336	348,809,597
Cash and bank balances		2,673,743,420	1,028,805,085
		<b>7,809,411,537</b>	<b>4,764,806,291</b>
<b>TOTAL ASSETS</b>		<b>10,888,639,362</b>	<b>7,685,132,987</b>

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

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	NOTE	First Quarter Ended	
		September 30, 2023	September 30, 2022
		Rupees	Rupees
Sales - net	8	8,044,264,447	1,530,494,040
Cost of sales	9	6,533,692,637	1,337,357,547
<b>Gross profit</b>		<b>1,510,571,810</b>	193,136,493
Distribution and marketing costs		290,162,882	82,071,481
Administrative expenses		74,416,806	44,017,808
Other operating expenses		80,675,202	1,099,650
		445,254,890	127,188,939
		1,065,316,920	65,947,554
Other income		79,606,191	1,974,977
<b>Operating profit before finance cost</b>		<b>1,144,923,111</b>	67,922,531
Finance cost		35,555,111	47,647,448
<b>Profit before taxation</b>		<b>1,109,368,000</b>	20,275,083
Taxation	10	450,830,735	9,265,913
<b>Profit after taxation</b>		<b>658,537,265</b>	11,009,170
<b>Earnings per share - basic and diluted</b>	11	<b>10.89</b>	0.18

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

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	First Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
<b>PROFIT AFTER TAXATION FOR THE PERIOD</b>	<b>658,537,265</b>	11,009,170
Other comprehensive income / (loss) for the period	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>658,537,265</b>	<u>11,009,170</u>

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

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	Share Capital Rupees	Capital reserve - share premium account Rupees	Revenue reserve - un-appropriated profit Rupees	Total Rupees
<b>Balance as at June 30, 2022 - audited</b>	604,459,640	557,406,192	792,093,365	1,953,959,197
<b>Comprehensive Income for the period</b>				
Profit after taxation	-	-	11,009,170	11,009,170
Comprehensive income / (loss)	-	-	-	-
<b>Total comprehensive income for the period ended September 30, 2022</b>	-	-	11,009,170	11,009,170
<b>Balance as at September 30, 2022 - unaudited</b>	<u>604,459,640</u>	<u>557,406,192</u>	<u>803,102,535</u>	<u>1,964,968,367</u>
	Share Capital Rupees	Capital reserve - share premium account Rupees	Revenue reserve - un-appropriated profit Rupees	Total Rupees
<b>Balance as at June 30, 2023 - audited</b>	604,459,640	557,406,192	1,753,182,230	2,915,048,062
<b>Comprehensive income for the period</b>				
Profit after taxation	-	-	658,537,265	658,537,265
Comprehensive income / (loss)	-	-	-	-
<b>Total comprehensive income for the period ended September 30, 2023</b>	-	-	658,537,265	658,537,265
<b>Balance as at September 30, 2023 - unaudited</b>	<u>604,459,640</u>	<u>557,406,192</u>	<u>2,411,719,495</u>	<u>3,573,585,327</u>

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

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	First Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,109,368,000	20,275,083
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	66,146,291	47,805,622
Amorization	17,063	16,344
Provision for staff retirement gratuity	27,992,582	19,036,244
Increase in deferred revenue	2,835,843	201,531
Workers' profit participation fund	59,801,085	1,099,650
Workers' welfare fund	20,874,117	-
Provision for warranty claims	17,952,375	-
Finance cost	35,555,111	47,647,448
Other income	(79,606,191)	(1,974,977)
	151,568,276	113,831,862
	1,260,936,276	134,106,945
<b>Working capital changes</b>		
<b>(Increase)/Decrease in current assets</b>		
Store, spares and loose tools	(1,576,273)	(3,325,587)
Stock-in-trade	(1,991,728,084)	(2,078,689,546)
Trade debts	(109,873,612)	107,017,215
Loans & advances	(26,466,321)	(159,485,399)
Trade deposits and short term prepayments	848,919,118	215,124,881
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	2,345,837,769	2,466,159,993
<b>(Decrease) / Increase in long term loans and advances</b>		
	(2,447,403)	1,814,653
	1,035,076,848	548,616,210
<b>Cash generated from operations</b>	2,296,013,124	682,723,155
Finance cost paid	(32,921,336)	(32,951,222)
Income tax paid/deducted at source	(371,757,854)	(107,991,376)
Employees retirement benefit - gratuity paid	(24,450,336)	(2,319,261)
<b>Net cash generated from operating activities</b>	1,866,883,598	539,461,296
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(267,055,699)	(75,112,769)
Increase in long term deposits	387,885	-
Proceeds from sale of property, plant and equipment	10,206,000	1,285,000
<b>Net cash used in investing activities</b>	(256,461,814)	(73,827,769)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(39,273,153)	(39,442,066)
Proceeds from short term borrowings	313,158,047	1,390,746,379
Repayment of short term borrowings	(313,158,047)	(1,553,621,939)
Profit on bank deposits	73,789,704	835,254
<b>Net cash generated from / (used in) financing activities</b>	34,516,551	(201,482,372)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,644,938,335	264,151,155
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	1,028,805,085	173,042,479
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	2,673,743,420	437,193,634

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



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 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-All 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 Ijtamah Chowk, Sunder-Raiwind Road, Lahore.

### 2 BASIS OF PREPARATION

2.1 These condensed interim financial statements (un-audited) of the Company for the three months ended September 30, 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, 2023.

### 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, 2023.

#### 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, 2023.

### 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, 2023.

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 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.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

**4 SHARE CAPITAL**

**4.1 Authorized share capital**

Un-audited September 30, 2023		Audited June 30, 2023		NOTE	Un-audited September 30, 2023		Audited June 30, 2023	
Number		Number			Rupees		Rupees	
100,000,000		100,000,000			1,000,000,000		1,000,000,000	

Ordinary shares of Rupees 10 each

**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, 2023, except the following:

- 5.1.1** The company has received a notification from EOBI (Employee Old-Age Benefits Institution). This notification pertains to changes in the minimum wage for unskilled workers, which would affect the EOBI contribution on the wage ceiling, increasing it to Rs. 25,000/-. This notification is based on Circular No. 2/2021-22, issued by the Ministry of Human Resource & Development on May 28, 2022, and it is applicable exclusively to Islamabad Capital Territory. After consultations with our legal advisor, the company took the step of filing a Writ Petition before the Honorable Lahore High Court in Lahore on September 15, 2023. The Company has been successful in obtaining a stay order against the aforementioned EOBI notification. The legal proceedings are still ongoing, and according to our legal advisor, we anticipate a favorable outcome in this case. As a result, no provisions have been made in the financial statements.

**5.2 Commitments**

- 5.2.1** Commitments in respect of outstanding letters of credit for raw material amount to Rs. 5,515.85 Million (June 30, 2023: Rs. 2,650.39 Million).
- 5.2.2** Commitments in respect of capital expenditures amount to Rs. 96.12 Million (June 30, 2023: Rs. 130.21 Million) and bank guarantee of Rs. 30.82 Million (June 30, 2023: Rs. 22.18 Million).

**6 PROPERTY, PLANT AND EQUIPMENT**

		Un-audited September 30, 2023	Audited June 30, 2023
		Rupees	Rupees
Operating fixed assets - tangible	6.1	2,849,386,211	2,831,287,076
Capital work in progress	6.2	146,667,909	-
Advance for purchase of land		61,300,000	30,000,000
		3,057,354,120	2,861,287,076

**6.1 OPERATING FIXED ASSETS - tangible**

Opening book value		2,831,287,076	1,746,923,699
Add:			
Additions during the period (at cost)			
- Freehold Land		-	140,401,000
- Building and civil works on freehold land		-	119,508,818
- Plant and machinery		3,058,000	1,034,295,191
- Electric fittings		-	3,093,213
- Furniture and fittings		3,624,635	3,679,710
- Office equipment		2,406,735	7,400,753
- Electric installations		-	7,612,096
- Vehicles		79,998,420	1,950,000
		89,087,790	1,317,940,781





**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

	NOTES	Un-audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
<b>Less:</b>			
<b>Disposal during the period (at net book value)</b>			
- Vehicles		4,842,364	369,304
<b>Depreciation charged during the period</b>		66,146,291	233,208,100
		70,988,655	233,577,404
		<b>2,849,386,211</b>	<b>2,831,287,076</b>
<b>Closing book value</b>			
<b>6.2 CAPITAL WORK IN PROGRESS</b>			
Opening balance		-	799,326,424
<b>Additions during the period</b>			
- Plant and machinery		108,529,086	258,648,794
- Building and civil works on freehold land		38,138,823	85,796,671
		146,667,909	344,445,465
<b>Less Transferred to fixed assets during the period</b>			
- Plant and machinery		-	1,024,263,071
- Building and civil works on freehold land		-	74,295,030
- Electric Installations		-	45,213,788
		-	1,143,771,889
<b>Closing Balance</b>		<b>146,667,909</b>	<b>-</b>
<b>7 INTANGIBLE ASSETS</b>			
Opening book value		199,064	284,624
Less: amortization charged during the period		17,063	85,560
<b>Closing book value</b>		<b>182,001</b>	<b>199,064</b>
		Un-audited September 30, 2023 Rupees	Un-audited September 30, 2022 Rupees
<b>8 SALES - NET</b>			
Gross sales	8.1	9,636,413,014	1,925,174,532
Less: Sales tax		1,251,745,206	269,225,627
Federal excise duty		332,759,715	39,755,640
Sales returns		7,643,646	85,699,225
		1,592,148,567	394,680,492
		<b>8,044,264,447</b>	<b>1,530,494,040</b>
<b>8.1</b>	This includes Rs. 14.96 million (September 30, 2022: Rs. 10.49 million) on account of export sales for the period.		
<b>8.2</b>	The disaggregation of revenue is disclosed in note no.13 of these condensed interim financial statements.		
		Un-audited September 30, 2023 Rupees	Un-audited September 30, 2022 Rupees
<b>9 COST OF SALES</b>			
Raw materials and components consumed		6,233,193,428	1,644,512,117
Salaries, wages and other benefits		257,735,763	134,940,486
Stores, spares and loose tools consumed		34,011,442	19,448,036
Power and fuel charges		96,153,927	67,100,380
Repair and maintenance		44,252,569	29,357,240
Other expenses		14,025,729	4,738,044
Depreciation & amortization		60,759,823	42,454,651
		6,740,447,831	1,942,550,954
Opening work-in-process		47,015,266	57,165,012
Closing work-in-process		(21,413,307)	(70,075,201)
Cost of goods manufactured		6,766,049,790	1,929,640,765
Opening finished goods		638,790,179	421,456,575
Closing finished goods		(871,147,332)	(1,013,739,793)
		<b>6,533,692,637</b>	<b>1,337,357,547</b>
<b>10 TAXATION</b>			
<b>Current</b>			
For the period		388,332,370	23,206,893
<b>Deferred</b>			
For the period		62,498,365	(13,940,980)
		<b>450,830,735</b>	<b>9,265,913</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

		Un-audited September 30, 2023 Rupees	Un-audited September 30, 2022 Rupees
<b>11</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>		
	<b>Basic earnings per share</b>		
	Profit after taxation for the period	658,537,265	11,009,170
	Weighted average number of ordinary shares outstanding during the period - Note 4.2	60,445,964	60,445,964
	Basic earnings per share	10.89	0.18

**11.1 Diluted earnings per share**

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2023 and September 30, 2022, 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	540,000	225,000
Sale of goods	20,834,480	-

**Key Management Personnel**

Remuneration, allowances and benefits	36,310,348	19,394,786
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**Other Executive**

Remuneration, allowances and benefits	4,072,983	1,593,750
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**13 SEGMENT RESULTS****Segment Revenue - Net - External**

Home appliances	-	418,199
Automotive parts	255,507,083	120,627,628
Automobiles - three Wheeler	1,103,906,658	614,335,451
Automobiles - four Wheeler	6,684,850,706	795,112,762
<b>Total</b>	<b>8,044,264,447</b>	<b>1,530,494,040</b>

**Segment operating results**

Home appliances	(33,534)	23,927
Automotive parts	6,824,084	420,862
Automobiles - three Wheeler	33,312,134	17,918,360
Automobiles - four Wheeler	1,105,889,438	48,684,055
<b>Total</b>	<b>1,145,992,122</b>	<b>67,047,203</b>

**14 DATE OF AUTHORIZATION FOR ISSUE**

The Board of Directors of the Company has authorized these condensed interim financial statements for issue on October 26, 2023.

**15 CORRESPONDING FIGURES**

Corresponding figures are re-arranged, wherever necessary, for the purpose of comparison. However, no such significant re-arrangements have been made in these financial statements except the following:

Reclassified From	Reclassified To	Nature		
Sales-net	Distribution and marketing costs	Commission Exp	141,403,664	28,135,659

**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

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