

HYK/AA/228
September 25, 2017

The Company Secretary
Sazgar Engineering Works Limited
88-Ali Town, Thokar Niaz Baig,
Raiwind Road,
Lahore.

RESIDUAL FREE RESERVES AS AT 30 JUNE 2017

Dear Sir,

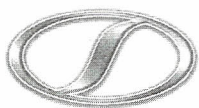
As requested, we have ascertained, from the Company's financial statements for the year ended 30 June 2017 which has been approved by the Board of Directors, that the Company's residual free reserves, in terms of the meaning given in the manner as specified in clause (iii) of Rule 6 of the Companies (Issue of Capital) Rules, 1996 after the proposed issue of bonus shares of a face value of Rs.35.94 million would be higher than fifteen percent of the enhanced paid-up capital of Rs.215.67 million.

We also confirm that all contingent liabilities have been deducted while calculating the free reserves of the Company as at 30 June 2017.

Yours truly,

HYK & Co.

H.Y.K & CO.
(Chartered Accountants)



Sazgar Engineering Works Limited

ANNEXURE - I

SAZGAR ENGINEERING WORKS LIMITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017 Rupees	June 30, 2016 Rupees
SALES - NET	3,618,144,493	2,873,866,541
COST OF SALES	3,238,663,489	2,585,180,116
GROSS PROFIT	379,481,004	288,686,425
DISTRIBUTION COST	83,912,593	69,547,356
ADMINISTRATIVE EXPENSES	65,884,066	56,919,426
OTHER OPERATING EXPENSES	26,703,862	12,766,183
	176,500,521	139,232,965
	202,980,483	149,453,460
OTHER INCOME	2,922,832	7,284,005
OPERATING PROFIT BEFORE FINANCE COST	205,903,315	156,737,465
FINANCE COST	1,789,570	2,779,669
PROFIT BEFORE TAXATION	204,113,745	153,957,796
TAXATION	61,291,804	46,288,058
PROFIT AFTER TAXATION	142,821,941	107,669,738
EARNINGS PER SHARE - BASIC AND DILUTED	7.95	5.99

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

Ph: +92-42-35291573-74, 35297861-62 Fax: +92-42-35297863, E-mail: sazgar@brain.net.pk, info@sazgarautos.com, URL: www.sazgarautos.com

Factory: 18 Km, Raiwind Road, Lahore. Pakistan

Ph: +92-42-35330300-2, Fax: +92-42-35330329



Sazgar Engineering Works Limited

DISCLOSURE FORM

IN TERMS OF SECTION 15D OF THE SECURITIES AND EXCHANGE ORDINANCE 1969

Lahore: September 25, 2017

Securities & Exchange Commission
of Pakistan,
NIC Building, Jinnah Avenue,
Blue Area, Islamabad.

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road, Karachi.

Name of Company : Sazgar Engineering Works Limited
Date of Report (date of earliest
Event reported if applicable) : N/A
Address of Registered Office : 88-Ali Town, Thokar Niaz Baig, Raiwind Road,
Lahore.
Contact Information : Company Secretary, 88-Ali Town, Thokar Niaz Baig,
Raiwind Road, Lahore.

Disclosure of Material Information:

We have to inform you that the Board of Directors of our Company in their meeting held on Monday, September 25, 2017 at 11:30 at Lahore, recommended the following:

Bonus Shares:

It has been recommended by the Board of Directors to issue Bonus Shares in the proportion of 20 share(s) for every 100 share(s) held i.e. 20%. These Bonus Shares shall rank pari passu with the existing shares of the Company. In this regard, Photocopy of Auditors' Certificate is attached.

Alteration in Articles of Association:

It has been recommended by the Board of Directors to make Alteration in Clause 41 of Articles of Association of the Company for allowing the members to appoint both members and non-members as proxy in case of E-voting. This change will fulfil the requirements of the Companies (E-voting) Regulations, 2016 issued by Securities and Exchange Commission of Pakistan vide SRO No. 43(I)/2016 dated 22nd January, 2016 amended from time to time for voting in general meetings through electronic means.

Thanking you,

Yours sincerely,

For Sazgar Engineering Works Limited


Arshad Mahmood
(Company Secretary)

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

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