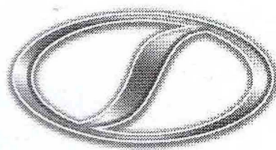


Quarterly & Half Yearly
Accounts (Un-Audited)
December 31, 2015



SAZGAR ENGINEERING WORKS LIMITED

SAZGAR ENGINEERING WORKS LIMITED



CONTENTS

Vision, Mission and Corporate Strategy	1
Company Information	2
Directors' Review	3
Auditors' Report	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Statements	12

SAZGAR ENGINEERING WORKS LIMITED



CONTENTS

Vision, Mission and Corporate Strategy	1
Company Information	2
Directors' Review	3
Auditors' Report	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Statements	12

SAZGAR ENGINEERING WORKS LIMITED

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 services; 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.

SAZGAR ENGINEERING WORKS LIMITED

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
Non-Executive Director

Mr. Mian Zafar Hameed
Non-Executive Director

Mrs. Amina Humza Wazir
Non-Executive Director

Mr. Ahsan Ejaz
Independent Director

COMPANY SECRETARY

Mr. Arshad Mahmood - FCA

REGISTERED OFFICE

88 - Ali Town, Thokar Niaz Baig,
Raiwind Road, Lahore.

SHARE REGISTRAR

Corp Tec Associates (Pvt.) Limited
503-E, Johar Town, Lahore.
Ph# 042-35170336-37
Fax# 042-35170338

FACTORY

18-KM, Raiwind Road, Lahore.

AUDIT COMMITTEE

Mr. Mian Muhammad Ali Hameed
Chairman

Mr. Mian Zafar Hameed
Member

Mr. Ahsan Ejaz
Member

Mr. Arshad Mahmood
Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Ahsan Ejaz
Chairman

Mr. Saeed Iqbal Khan
Member

Mrs. Amina Humza Wazir
Member

Mr. Arshad Mahmood
Secretary

AUDITORS

Kabani & Company
Chartered Accountants

BANKERS

Allied Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
The Bank of Punjab
Summit Bank Limited
NIB Bank
Meezan Bank Limited
Soneri Bank Limited
United Bank Limited
Bank Al-Habib Limited

SAZGAR ENGINEERING WORKS LIMITED

DIRECTORS' REVIEW

The directors of your Company are pleased to present their review on the affairs of the Company for the 2nd quarter and half year ended December 31, 2015:

Financial Results:

The financial results for the period under review are reflecting a reduction in sales and profitability of the company. The sales of 2nd quarter has decreased by 8.08% from Rs.590.44 M to Rs.542.73 M, gross profit by 15.23% from Rs. 57.65 M to Rs.48.87M and pre-tax profit by 42.98% from Rs.27.66 M to Rs. 15.77 M compared with corresponding period of last year.

The half year sales has decreased by 2.93% from Rs.1,124.46 M to Rs. 1,091.53 M, gross profit by 6.67% from Rs. 107.97 M to Rs.100.77M, and pre-tax profit by 23.46% from Rs.47.39 M to Rs. 36.27M compared with the corresponding period of last year.

The decrease in sales and profitability of the company is due to the decline in sales volumes of tractor wheel rims and home appliances during the period under review.

During the 2nd quarter and half year, the Company produced 4,165 & 7,827 units of Auto Rickshaws whereas during the corresponding periods of last year, the production was 3,247 and 6,434 units respectively.

The production of wheel rims was 11,959 & 27,918 in 2nd quarter and half year whereas the production of wheel rims during the same corresponding periods was 26,269 and 42,341 respectively.

Interim Cash Dividend:

The directors of your company are pleased to declare an interim cash dividend of Rs. 1.00 per ordinary share i.e. 10% for the period ended December 31, 2015 (December 31, 2014: 10%).

Future Outlook:

Your company is carrying a major market share of Auto Rickshaw in Karachi where business conditions are improving day by day due to constant efforts of Security

SAZGAR ENGINEERING WORKS LIMITED

Agencies. Further, action of Sindh government against the illegal motorcycle rickshaws has positively affected on the demand of Auto Rickshaws in the region and your company is receiving substantial orders from the said market subsequent to the period under review.

The sale of tractors is coming into its norms after waiting a long period of six months for the start of Government subsidy scheme on tractors that unfortunately could not start due to unknown reasons. It is hoped that the sale of tractor wheel rims will increase in the coming 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.

For and on behalf of the Board

Lahore
Dated: 23-02-2016


Mian Asad Hameed
(Chief Executive)



KABANI & COMPANY

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Sazgar Engineering Works Limited as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for half year ended December 31, 2015, is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Kabani & Company
Chartered Accountants
Lahore

Date: February 23, 2016

Engagement Partner: Muhammad Yousaf

Lahore
House 70/10
65721-0000
127/10000000000
10000000000
10000000000
10000000000
10000000000

Islamabad
House 70/10
65721-0000
127/10000000000
10000000000
10000000000
10000000000
10000000000

USA
House 70/10
65721-0000
127/10000000000
10000000000
10000000000
10000000000
10000000000

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2015

	Note	December 31, 2015	June 30, 2015
Rupees			
EQUITY AND LIABILITIES			
EQUITY			
Authorized share capital			
50,000,000 (June 2015: 50,000,000)			
ordinary shares of Rupees 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up share capital	4	179,723,680	179,723,680
Revenue reserve - Un-appropriated Profit		443,781,643	437,195,803
		623,505,323	616,919,483
LIABILITIES			
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		294,912	848,816
Deferred Liabilities		111,704,433	105,899,434
CURRENT LIABILITIES			
Trade and other payables		454,188,302	313,390,957
Mark-up & Profit accrued on loans and other payables		377,637	335,845
Short term borrowings		39,014,926	16,248,282
Current portion of long term liabilities		1,347,490	2,232,871
Provision for Taxation		14,352,383	32,786,233
		509,280,738	364,994,188
CONTINGENCIES AND COMMITMENTS	5	-	-
TOTAL EQUITY AND LIABILITIES		1,244,785,406	1,088,661,921

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2015

	Note	December 31, 2015	June 30, 2015
		Rupees	
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	6	254,041,490	250,596,211
Intangible Assets	7	183,359	232,767
LONG TERM LOANS AND ADVANCES		10,186,554	9,777,104
LONG TERM DEPOSITS		1,637,137	1,637,137
CURRENT ASSETS			
Stores, spares and loose tools		5,387,806	2,508,204
Stock-in-trade		664,756,715	550,465,977
Trade debts		109,728,544	146,544,038
Loans & advances		13,180,695	12,734,867
Trade deposits and short term prepayments		45,698,518	5,367,066
Other receivables		105,380,950	90,516,502
Cash and bank balances		34,603,638	18,282,048
		978,736,866	826,418,702
TOTAL ASSETS		1,244,785,406	1,088,661,921

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE

7


SAEED IQBAL KHAN
DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2015

	Note	Second Quarter Ended		Half Year Ended	
		Oct - Dec	Oct - Dec	July - Dec	July - Dec
		2015	2014	2015	2014
		Rupees		Rupees	
Sales - Net	8	542,730,196	590,443,809	1,091,529,392	1,124,455,769
Cost of sales	9	493,855,377	532,790,403	990,764,227	1,016,487,759
Gross Profit		48,874,819	57,653,406	100,765,165	107,968,010
Distribution cost		13,363,348	15,197,875	28,790,524	29,482,441
Administrative expenses		13,884,056	10,722,221	28,003,510	24,103,185
Other operating expenses		6,491,886	1,969,416	8,089,645	3,583,118
		33,739,290	27,889,513	64,883,679	57,168,744
		15,135,529	29,763,893	35,881,486	50,799,266
Other income		1,178,330	312,557	2,376,178	1,278,572
Operating profit before finance cost		16,313,859	30,076,450	38,257,664	52,077,838
Finance cost		541,177	2,415,741	1,983,359	4,684,817
Profit before taxation		15,772,682	27,660,709	36,274,305	47,393,021
Taxation	10	4,675,148	561,521	11,716,097	6,964,047
Profit after taxation		11,097,534	27,099,189	24,558,208	40,428,973
Earnings per share - Basic and diluted	11	0.62	1.51	1.37	2.25

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2015

Second Quarter Ended		Half Year Ended	
Oct - Dec 2015	Oct - Dec 2014	July - Dec 2015	July - Dec 2014
Rupees		Rupees	

PROFIT AFTER TAXATION FOR THE PERIOD	11,097,534	27,099,189	24,558,208	40,428,973
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,097,534	27,099,189	24,558,208	40,428,973

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Half Year Ended	
	July - Dec 2015	July - Dec 2014
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	36,274,305	47,393,021
Adjustment for non cash charges and other items:		
Depreciation	9,619,847	9,982,662
Amortization	49,408	114,405
Provision for gratuity	9,084,036	8,543,240
Finance cost	1,983,359	4,684,817
Other Income	(2,376,178)	(1,278,572)
	<u>18,360,472</u>	<u>22,046,552</u>
	54,634,777	69,439,573
Working capital changes		
(Increase)/Decrease in current assets		
Store, spares and loose tools	(2,879,602)	(72,951)
Stock-in-trade	(114,290,738)	(103,415,657)
Trade debts	36,815,494	(66,155,850)
Loans & Advances	(445,828)	6,804,128
Trade Deposits and short term prepayments	(40,331,452)	(4,359,098)
Other receivables	(22,824,643)	-
Increase/(Decrease) in current liabilities		
Trade and other payables	142,129,214	99,468,874
Increase in Long term loans and advances	<u>(409,450)</u>	<u>(2,824,944)</u>
	(2,237,005)	(70,555,499)
Cash generated from / (used in) operations	52,397,772	(1,115,926)
Finance costs paid	(1,941,567)	(3,711,087)
Income tax paid/deducted at source	(24,879,544)	(28,634,792)
Employees retirement benefit - gratuity paid	(1,672,505)	(2,057,510)
Net cash generated from / (used in) operating activities	<u>23,904,156</u>	<u>(35,519,315)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(14,732,871)	(4,599,363)
Proceeds from sale of property, plant and equipment	3,670,000	720,000
Security deposits with leasing companies	-	(185,850)
Net cash used in investing activities	<u>(11,062,871)</u>	<u>(4,065,213)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of short term borrowings	64,151,250	59,151,181
Repayment of short term borrowings	(41,384,606)	(23,582,765)
Repayment of finance lease	(1,439,285)	(2,705,327)
Dividend paid	(17,847,054)	(17,972,368)
Net cash generated from financing activities	<u>3,480,305</u>	<u>14,890,721</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>16,321,590</u>	<u>(24,693,807)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	18,282,048	31,791,683
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>34,603,638</u>	<u>7,097,877</u>

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Share Capital Rupees	Un-appropriated Profit Rupees	Total Rupees
Balance as at June 30, 2014	179,723,680	402,542,633	582,266,313
Final Dividend for the year ended June 30, 2014 @ Re.1.00 per share	-	(17,972,368)	(17,972,368)
Total Comprehensive Income for the Half year ended December 31, 2014	-	40,428,973	40,428,973
Balance as at December 31, 2014	179,723,680	424,999,238	604,722,918
Balance as at June 30, 2015	179,723,680	437,195,803	616,919,483
Final Dividend for the year ended June 30, 2015 @ Re.1.00 per share	-	(17,972,368)	(17,972,368)
Total Comprehensive Income for the Half year ended December 31, 2015	-	24,558,208	24,558,208
Balance as at December 31, 2015	179,723,680	443,781,643	623,505,323

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR

SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

1 LEGAL STATUS AND OPERATIONS

The Company was incorporated in Pakistan on September 21, 1991 as a Private Limited Company under the Companies Ordinance, 1984 and converted into a Public Limited Company on November 21, 1994. The Company is listed on all the Stock Exchanges of Pakistan, now merged into Pakistan Stock Exchange Limited with effect from January 11, 2016. The Company is engaged in the manufacture and sale of automobiles, automotive parts and household electric appliances. The registered office of the company is situated at 88- Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore.

2 BASIS OF PREPARATION

- 2.1** These condensed interim financial statements (un-audited) of the Company for the half year ended December 31, 2015 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 are followed. These condensed interim financial statements (un-audited) are being submitted to the shareholders as required by section 245 of the Companies Ordinance 1984.
- 2.2** 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 financial statements for the year ended June 30, 2015.

2.3 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

2.3.1 Financial risk factors

The Company's activities expose to a variety of financial risks namely market risk (including currency risk, price risk and interest rate risk), credit risk, foreign exchange risk and liquidity risk. There has been no change in the risk management policies during the period, consequently this condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements.

2.3.2 Fair Value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair value.

2.4 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34- 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

- 2.5** These condensed interim financial statements have been reviewed by auditors, not audited.

3 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year ended June 30, 2015.

SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

4 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Dec 31, 2015	June 30, 2015		Dec 31, 2015	June 30, 2015
Number	Number		Rupees	Rupees
7,163,000	7,163,000	ordinary shares of Rupees 10/- each fully paid up in cash	71,630,000	71,630,000
10,809,368	10,809,368	ordinary shares of Rupees 10/- each allotted as bonus shares	108,093,680	108,093,680
17,972,368	17,972,368		179,723,680	179,723,680

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no significant change in contingencies from the preceding annual published financial statement of the Company for the year ended June 30, 2015. except as follows;

During the period, Deputy Director (Admin) of the Punjab Employees Social Security Institution has created a demand of Rs. 6,574,682/- on account of social security contribution including increase thereon under section 23(1) of the Social Security Ordinance, 1965. The Company has filed an appeal with Commissioner Appeals against this order, which is still pending. In the opinion of legal advisor, favorable outcome of the appeal is expected; hence no provision is made in these financial statements of said amount.

5.2 Commitments

Commitments in respect of:

		DEC 2015 Rupees	JUNE 2015 Rupees	DEC 2015 Rupees	JUNE 2015 Rupees
LIMIT Nos.	PARTICULARS	LIMITS AVAILABLE		LIMITS UTILIZED	
	Not Later Than one Year				
1	Foreign LC Sight / Inland LC- Gross	390,000,000	390,000,000	121,480,605	124,727,908
2	FATR - Sublimit of Limit No.1	88,000,000	88,000,000	39,014,926	16,248,282
3	Murabaha Sublimit of Limit no.2	40,000,000	40,000,000	-	22,587,743
4	Murabaha Sublimit of Limit no.1	40,000,000	40,000,000	-	16,681,711
5	Murabaha-FIM Spot Sublimit of Limit no.1	40,000,000	40,000,000	-	-
6	Guarantee	8,040,000	8,040,000	-	-

6 PROPERTY, PLANT AND EQUIPMENT

	Dec 31, 2015	June 30, 2015
	Rupees	Rupees
Operating fixed assets	241,392,804	241,477,525
Capital work in progress	12,648,686	9,118,686
	254,041,490	250,596,211

SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Dec 31, 2015 Rupees	June 30, 2015 Rupees		
6.1 OPERATING FIXED ASSETS - Tangible				
Opening book value	241,477,525	250,089,438		
Add:				
Additions during the period (at cost)				
- Building and civil works on Leasehold Land	2,509,800	-		
- Plant and machinery	-	5,708,905		
- Electric fittings	-	43,695		
- Office equipments	274,080	47,619		
- Electric installations	-	59,900		
- Vehicles	8,419,000	5,974,131		
	11,202,880	11,834,250		
Less:				
Disposal during the period (at net book value)				
- Vehicles	1,667,754	133,284		
Depreciation charged during the period	9,619,847	20,312,880		
	11,287,601	20,446,164		
Closing book value	241,392,804	241,477,525		
7 INTANGIBLE ASSETS				
Opening book value	232,767	448,976		
Add: additions during the period	-	13,500		
	232,767	462,476		
Less: amortization charged during the period	49,408	229,709		
Closing book value	183,359	232,767		
8 SALES - NET				
	Oct-Dec 2015 Rupees	Oct-Dec 2014 Rupees	July-Dec 2015 Rupees	July-Dec 2014 Rupees
Gross sales	654,269,072	704,897,410	1,309,914,762	1,343,313,027
Less: Sales tax	94,570,991	105,694,791	189,889,579	202,004,770
Sales returns	5,924,727	1,722,174	7,634,501	2,873,135
Commission	11,043,158	7,036,636	20,861,290	13,979,353
	111,538,876	114,453,601	218,385,370	218,857,258
	542,730,196	590,443,809	1,091,529,392	1,124,455,769

SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Note	Oct-Dec 2015	Oct-Dec 2014	July-Dec 2015	July-Dec 2014
		Rupees	Rupees	Rupees	Rupees
9	COST OF SALES				
	Raw materials and components consumed	525,983,772	459,355,334	998,270,314	877,955,521
	Salaries, wages and other benefits	43,610,848	49,294,243	92,837,886	92,209,472
	Stores, spares and loose tools consumed	8,072,776	6,160,717	13,635,426	11,821,369
	Power and fuel charges	10,635,900	11,613,786	22,131,065	22,968,891
	Repair and maintenance	13,661,528	13,784,295	26,642,436	22,317,621
	Provision for slow moving items	-	-	1,512,431	-
	Other expenses	1,988,085	1,955,577	3,689,634	3,139,776
	Depreciation & Amortization	3,181,347	3,463,108	6,359,243	6,874,743
		<u>607,134,256</u>	<u>545,627,060</u>	<u>1,165,078,435</u>	<u>1,037,287,393</u>
	Opening work-in-process	18,180,879	11,231,830	16,984,905	16,685,065
	Closing work-in-process	(18,271,181)	(12,839,280)	(18,271,181)	(12,839,280)
	Cost of goods manufactured	<u>607,043,954</u>	<u>544,019,610</u>	<u>1,163,792,159</u>	<u>1,041,133,178</u>
	Opening finished goods	157,432,269	147,579,633	97,592,914	134,163,421
	Cost of finished goods purchased	-	8,455,181	-	8,455,181
	Closing finished goods	<u>(270,620,846)</u>	<u>(167,264,021)</u>	<u>(270,620,846)</u>	<u>(167,264,021)</u>
		<u><u>493,855,377</u></u>	<u><u>532,790,403</u></u>	<u><u>990,764,227</u></u>	<u><u>1,016,487,759</u></u>
10	TAXATION				
	Current				
	For the period 10.1	6,733,821	7,327,751	14,352,383	13,957,984
	Prior period	(1,029,754)	(6,530,221)	(1,029,754)	(6,530,221)
	Deferred				
	For the period	(1,028,919)	(236,009)	(1,606,532)	(463,716)
		<u><u>4,675,148</u></u>	<u><u>561,521</u></u>	<u><u>11,716,097</u></u>	<u><u>6,964,047</u></u>
10.1	The rate of tax has decreased from 33% to 32% during the period.				
11	EARNINGS PER SHARE - BASIC AND DILUTED				
	Basic Earnings Per Share				
	Profit after taxation for the period - Rupees	11,097,534	27,099,189	24,558,208	40,428,973
	Weighted average number of ordinary shares outstanding during the period - Note 4	17,972,368	17,972,368	17,972,368	17,972,368
	Basic earnings per share - Rupees	0.62	1.51	1.37	2.25

SAZGAR ENGINEERING WORKS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

11.1 Diluted earnings per share

The diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2015 and December 31, 2014, which would have any effect on earning per share if the option to convert is exercised.

July-Dec 2015	July-Dec 2014
Rupees	Rupees

12 TRANSACTIONS WITH RELATED PARTIES

Remuneration, Allowances and benefits paid to Chief Executive and Executive Director(s)

7,345,000	7,345,000
-----------	-----------

13 SEGMENT RESULTS

	Oct-Dec 2015 Rupees	Oct-Dec 2014 Rupees	July-Dec 2015 Rupees	July-Dec 2014 Rupees
Segment Revenue				
Home appliances	558,887	8,360,798	625,243	8,605,759
Auto parts	63,146,728	139,971,749	148,040,145	229,811,038
Auto rickshaw	479,024,581	442,111,262	942,864,004	886,038,972
Total	542,730,196	590,443,809	1,091,529,392	1,124,455,769
Segment operating results				
Home appliances	(122,792)	269,391	(166,665)	177,235
Auto parts	(1,815,408)	3,990,462	(2,930,043)	2,584,244
Auto rickshaw	23,075,617	27,173,457	46,577,840	51,320,906
Total	21,137,417	31,433,310	43,481,132	54,082,384

14 SUBSEQUENT EVENTS

The Board of Directors in their meeting held on February 23, 2016 has declared interim cash dividend of Rupee 1.00 per ordinary share i.e, 10% (December 31,2014: 10%) of current paid up share capital. These condensed interim financial statements do not include the effect of this interim cash dividend which will be accounted for in the period in which it is declared.

15 DATE OF AUTHORIZATION FOR ISSUE

The Board of Directors of the Company has authorized these condensed interim financial statements for issue on February 23, 2016.

16 GENERAL

The figures have been rounded off to the nearest Rupee.


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR

Sazgar Engineering Works Limited

REGISTERED OFFICE: 88 Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore.

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

FACTORY: 18-Km, Raiwind Road, Lahore. Tel: 042-35330300-2 Fax: 042-35330329

sazgar@brain.net.pk

info@sazgarautos.com

www.sazgarautos.com