



CHAIRPERSON'S REVIEW REPORT

This review report has been prepared in compliance with Section 192(4) of the Companies Act, 2017 on the overall performance of the Board of Directors (the Board) of **Sazgar Engineering Works Limited** (the Company) and effectiveness of the role played by the Board in achieving the Company's objectives.

The Board performance has been evaluated in accordance with the mechanism set by the Board for this purpose on the basis of following and overall results are satisfactory:

Board composition and quality: During the year, election of directors were held and Board has been constituted with a balance of executive, non-executive and independent directors with requisite skills, competencies, knowledge, experience and gender diversity with reference to the Company's operations. The names of retiring and newly elected directors have been stated in directors' report for the financial year ending June 30, 2017.

Board function: The Board exercised all its powers in deciding the significant matters; Nine (9) Board meetings were held during the year in timely manner; detailed agenda along with supporting papers were provided to Board members for preparation and active participation in meetings; sufficient time was spent by the Board to decide the matters; approvals of shareholders were obtained by holding the general meetings wherever it was necessary and required under the law.

The Board ensures that the vision, mission and overall corporate strategy of the Company has been prepared and adopted.

The Board ensures that adequate resources are in place to achieve the desired business targets and

these resources are effectively and efficiently managed.

Financial performance of the company: The Board continuously monitors the financial performance of the Company. The Board considers the quality and appropriateness of the financial accounting and reporting frame work. The Board ensures that periodical and annual financial statements are prepared, reviewed and audited by the external auditors in timely manner;

During the current financial year, the Company registered a highest sale volume of Rs. 3.618 Billion and profit before tax of Rs. 204.11 million showing a tremendous performance of the company as compared to the previous financial year.

Statutory obligations: The Board ensures that the company is fully in compliance of its statutory obligations including holding of Board and general meetings, recording and maintenance of minutes of meetings, maintenance and retention of all kinds of financial, corporate and tax records, filing of statutory returns, forms, statements etc. of all types with SECP and other authorities as required under various laws, financial and tax reporting in timely manner, disclosure of conflict of interest by the directors to the Board and not participating in voting for deciding the concerned matters.

Corporate governance: The Board has separated the office of Chief Executive and Chairman and defined their respective roles and responsibilities; the Board ensures that Board members are educated through directors' training program to apprise of their duties, responsibilities and powers; significant policies have been made in place, reviewed and updated from



time to time; effective and efficient management team has been appointed along with fixation of their compensation package; evaluation of performance of CEO is made; Audit and Human Resource & Remuneration Committees have been established and are met regularly to assist and strengthen the Board decisions; code of business conduct has been prepared and disseminated throughout the Company along with its supporting policies and procedures; Company is discharging its Corporate Social Responsibility.

Risk management: The Board ensures that risks are identified, assessed and managed properly; internal control system is sound in design and is implemented effectively with continuous monitoring.

Human resource management: The Board ensures that human resource policies are in place to manage and maximize the performance of the Company's employees and Company behaves in an equitable and legal manner towards staff, contractors, vendors, buyers and any other individual working with the company.

Research and development: The Board ensures that the Company is carrying on research and development work for the innovation of new products and or to make the production and existing products more efficient to maintain or expand its market share; innovations and designs of new products are registered with relevant authorities.

Business expansion: The Board ensures that the Company's business expansion plans are in place and sufficient financial and other required resources are available with the Company to meet the expansion requirements.

During the year, the Board approved two expansion plans;

- (i) Setting up of additional production facilities for the manufacturing/ assembly of auto rickshaws with an estimated cost of PKR 330.00 million and
- (ii) Setting up of project for the manufacturing, assembly, sale and service of passenger and light commercial vehicles. The management is working on this project to materialize the business plan.

Acknowledgement: I would like to place on record my appreciation for the untiring efforts, teamwork and dedication shown by the Company's employees during the year under review.

I would also like to express my gratitude to the valued shareholders, customers, suppliers and financial institutions for their continued support to the Company.

Lahore

September 25, 2017

Mrs. Saira Asad Hameed
(Chairperson)