

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 first quarter ended September 30, 2014.

Financial Results:

By the Grace of Almighty Allah, the financial results of your company for the period under review are showing improvement in sale and profitability. The sale volumes of Auto Rickshaw and Automotive parts are showing rising trend compared with corresponding period of last year.

During this quarter, the Company's net sale has increased by 22.57% from Rs. 435.66 M to Rs. 534.01M, gross profit by 19.75% from Rs.42.02M to Rs. 50.31M and pretax profit by15.73% from Rs. 17.05M to Rs. 19.73M and earnings per share from Rs. 0.61 to Rs. 0.74 as compared to the corresponding period of last financial year.

The Company produced 3,187 units of Auto Rickshaws during this period compared with 3,176 units of auto rickshaw produced during corresponding period of last year.

The reduction in sales tax rate from 16% to 10% has shown positive effect on sale of tractors which has increased the requirement of tractor wheel rims during this quarter. The company produced 16,072 tractor wheel rims during the current period compared with 6,532 wheel rims of corresponding period of last year.

Future Outlook:


It is hoped that the political uncertainty will resolve soon in the best interest of the country. The Government will continue its efforts for the maintenance of law & order situation and minimization of load-shedding. Your company expects a growing trend in business volume in the period to come.

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: 23-10-2014



Mian Asad Hameed
(Chief Executive)