

# 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 3<sup>rd</sup> quarter ended March 31, 2013:

### Financial Results:

The financial results of the Company for the current quarter are showing a decline position of sales and profitability of the company due to unfavorable business conditions prevailing in the country. The adverse law & order position and heavy load-shedding are the key factors of this decline. Unfortunately, no improvement has been seen in these areas that encourages the movement of business transactions.

During the 3<sup>rd</sup> quarter, the net sales has decreased from Rs. 750.897 M to Rs. 445.328 M, gross profit from Rs. 96.580 M to Rs. 47.754 M and pre-tax profit from Rs. 61.041 M to Rs. 23.263 M compared with corresponding period of last year.

Cumulatively for nine months, the net sales has decreased from Rs. 2,078.847 M to Rs. 1,300.509 M, gross profit from Rs. 259.062 M to Rs. 139.746 M and pre-tax profit from Rs. 151.349 M to Rs. 58.399 M showing a substantial decline in sales and profitability of the Company compared with the corresponding period of last year.

During the 3<sup>rd</sup> quarter and cumulatively nine months, the Company produced 2,383 & 7,233 units of Auto Rickshaws whereas during the corresponding periods of last year, the production was 4,580 and 13,361 units respectively.

The production of wheel rims was 14,029 & 50,652 in 3<sup>rd</sup> quarter and cumulatively nine months whereas the production of wheel rims during the same corresponding periods was 21,437 & 40,693 respectively.

### Future Outlook:

Your Company is facing lot of challenges in form of heavy load-shedding and adverse law & order position which may negatively affect the sales and profitability of the company in coming periods. The Company is looking for some serious and positive steps from the new government for the improvement of business conditions in the country.

Moreover, the Company has also revisited its marketing strategy as per requirement of prevailing market conditions to boost the sales volumes. It is hoped that the financial position of the company will improve in the foreseeable future. INSHA ALLAH.

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



Mian Asad Hameed  
(Chief Executive)

Lahore

Dated: 25-04-2013