

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 3rd quarter ended March 31, 2015

Financial Results:

By the Grace of Almighty Allah, the growing trend of sales and profitability of the company has been intact during the period under review. The sales of 3rd quarter has increased by 16.61% from Rs. 634.168 M to Rs. 739.526 M, gross profit by 9.59% from Rs. 64.949M to Rs. 71.180M and pre-tax profit by 0.49% from Rs. 37.494 M to Rs. 37.678 M compared with the corresponding period of last year.

*The nine months sales has increased by 16.62% from Rs. 1.598 **Billion** to Rs. 1.864 **Billion**, gross profit by 11.13% from Rs.161.206 M to Rs.179.148 M, and pre-tax profit by 11.94% from Rs. 75.999M to Rs. 85.071M compared with the corresponding period of last year.*

The increase in sales and profitability of the company is due to the rise in sales volume of auto rickshaw and tractor wheel rim during the period under review.

During the 3rd quarter and cumulatively nine months, the Company produced 4,157 & 10,591 units of Auto Rickshaws whereas during the corresponding periods of last year, the production was 4,096 and 10,574 units respectively.

The production of wheel rims was 18,568 & 60,909 in 3rd quarter and cumulatively nine months whereas the production of wheel rims during the same corresponding periods was 7,046 & 33,101 respectively.

Change in Legal Advisor of the Company:

Mr. Khawaja Asif Mahmood resigned from the office of legal advisor the company w.e.f. 23.04.2015. The casual vacancy was filled in through the appointment of Mr. Abdul Hamid Awan as legal advisor of the company.

Future Outlook:

Your company is looking for a better future for the auto rickshaws and tractor wheel rims business in the period to come. The company will continue its policy of innovation of new products and enhancement in dealers as well as after sales service network.

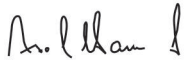
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It is hoped that the efforts of Government will remain in force for maintaining the law and order situation and business friendly conditions in the country.

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: 23-04-2015


Mian Asad Hameed
(Chief Executive)