

# 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, 2016

### **Financial Results:**

By the Grace of Almighty Allah, financial results of the company for the period under review are showing an increase in sales and profitability of the company. The sales of 3<sup>rd</sup> quarter has increased by 25.54% from Rs. 739.526M to Rs. 928.393M, gross profit by 39.68% from Rs. 71.180M to Rs. 99.426M and pre-tax profit by 59.91% from Rs. 37.678M to Rs. 60.249M compared with the corresponding period of last year.

The nine months sales has increased by 8.366% from Rs. 1.864 Billion to Rs. 2.020 Billion, gross profit by 11.75% from Rs.179.148M to Rs.200.191M and pre-tax profit by 13.46% from Rs. 85.071M to Rs. 96.523M compared with the corresponding period of last year. The earnings per share for the current period and cumulatively nine months have also increased from Rs. 1.40 to Rs. 2.34 and from Rs. 3.65 to Rs. 3.70 respectively.

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

During the 3<sup>rd</sup> quarter and cumulatively nine months, the Company produced 5,440 & 13,267 units of Auto Rickshaws whereas during the corresponding periods of last year, the production was 4,157 and 10,591 units respectively.

The production of wheel rims was 18,480 & 46,398 in 3<sup>rd</sup> quarter and cumulatively nine months whereas the production of wheel rims during the same corresponding periods was 18,568 & 60,909 respectively.

### **Change in Chief Financial Officer of the Company:**

Mr. Muhammad Ansar Fareed resigned from the office of Chief Financial Officer of the company w.e.f. 21.04.2016. The casual vacancy was filled in through the appointment of Mr. Muhammad Atif Rao as Chief Financial Officer of the company w.e.f. 21.04.2016.

### **Future Outlook:**

Political uncertainty may adversely affect the business conditions. Hopefully the Government will play its positive role to come out of the situation and to save the economic conditions from any sort of jeopardization.

It is hoped that the efforts of the Government will continue with true letter and spirit to overcome the energy crisis and for improving the law and order situation in the country.

The company is looking for a continuity of rising trend of sales and profitability in the period to come. Policy of innovation of new products and enhancement in dealers as well as after sales service network will remain intact.

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: 21-04-2016

  
Mian Asad Hameed  
(Chief Executive)