

# 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, 2012:

### **BRIEF OVERVIEW:**

By the Grace of Almighty Allah your Company has successfully maintained the growing momentum of sales volumes under the prevailing difficult business conditions and crossed the barrier of 2.00 Billion Rupees during the period under review. The sale of Auto Rickshaw has been significant in achieving this mile stone. The tractor wheel rims sale has also started to improve due to resolution of sales tax issue of tractors.

### **SALES AND PROFITABILITY:**

During the 3<sup>rd</sup> quarter, the net sales has increased from Rs. 735.615 M to Rs. 750.897 M, gross profit from Rs. 86.853 M to Rs. 96.580 M and pre-tax profit from Rs. 52.818 M to Rs. 61.041 M compared with corresponding period of last year.

Cumulatively for nine months, the net sales has increased from Rs. 1,925.733 M to Rs. 2,078.847 M, gross profit from Rs. 215.740 M to Rs. 259.062 M and pre-tax profit from Rs.120.793M to Rs. 151.349M showing a substantial improvement in financial position of the Company compared with the corresponding period of last year.

### **PRODUCTION:**

During the 3<sup>rd</sup> quarter and cumulatively nine months, the Company produced 4,580 & 13,361 units of Auto Rickshaws whereas during the corresponding periods of last year, the production was 4,407 and 12,006 units.

The production of wheel rims was 21,437 & 40,693 in 3<sup>rd</sup> quarter and cumulatively nine months whereas the production of wheel rims during the same corresponding periods was 27,759 & 70,151 respectively.

### **Production Capacity of Auto Rickshaw:**

Due to re-designing of product and assembling procedures, the production capacity of Auto Rickshaw has increased from 15,000 units to 20,000 units per annum.

### **FUTURE OUTLOOK:**

Due to unfavourable business conditions, your company is struggling for maintaining the current growing rate of sales volumes. It would be very hard for your company to achieve its desired targets under the presence of deteriorated law & order situation, heavy load

## SAZGAR ENGINEERING WORKS LIMITED

shedding, high inflation rate, constant depletion of Pak Rupee etc. However, the company is committed to face these challenges and is taking all possible measures to pass through the current difficult situation in a successful manner.

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 reposed in your Company.

For and on behalf of the Board



Mian Asad Hameed  
(Chief Executive)

Lahore

Dated: 19-04-2012