

**SAZGAR ENGINEERING WORKS LIMITED**  
**CONDENSED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

	Six months to Dec. 2008	Six months to Dec. 2007
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	(257,622)	91,477,921
Adjustment for non cash charges and other items:		
Depreciation	7,480,791	5,301,249
Amortization	312,099	313,612
Provision for gratuity	3,478,446	2,240,064
Financial and other charges	8,755,700	12,004,387
Other Income	(156,032)	-
	19,871,004	19,859,312
	19,613,382	111,337,233
<b>Effect on cash flow due to working capital changes</b>		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(1,046,065)	774,563
Stock-in-trade	(15,487,996)	(72,911,040)
Trade debts	121,954,360	(109,187,461)
Advances, deposits, prepayments and other receivables	(14,773,680)	1,468,237
Increase/(Decrease) in current liabilities		
Trade and other payables	(69,070,344)	32,727,124
	21,576,276	(147,128,577)
<b>Cash generated from/ (used in) operations</b>	41,189,658	(35,791,344)
Financial charges paid	(5,963,377)	(3,967,072)
Income tax paid/deducted at source	(9,711,518)	(6,526,392)
Employees retirement benefit - Gratuity	(799,900)	(256,950)
<b>Net cash inflow/ (outflow) from operating activities</b>	24,714,863	(46,541,758)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant and Equipment	(25,363,398)	(6,424,731)
(Increase)/decrease in long term security deposits	(23,000)	-
Sale Proceed from sale of fixed assets	592,529	-
Security deposits with leasing companies	-	(3,595,500)
<b>Net cash used in investing activities</b>	(24,793,869)	(10,020,231)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term finances	(1,200,000)	(1,200,000)
Proceeds of short term finances and advances	33,858,868	75,393,957
Repayment of short term finances and advances	(47,708,315)	(40,447,758)
Repayment of finance lease	(5,623,488)	(4,750,412)
Dividend paid	-	(7,879,300)
<b>Net cash inflow/(outflow) from financing activities</b>	(20,672,935)	21,116,487
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(20,751,941)	(35,445,502)
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE BEGINNING OF THE PERIOD</b>	(15,061,078)	16,243,385
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE END OF THE PERIOD</b>	(35,813,019)	(19,202,117)

The annexed notes from 1 to 14 form an integral part of these financial statements.

  
**MIAN ASAD HAMEED**  
**CHIEF EXECUTIVE**

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**SAEED IQBAL KHAN**  
**DIRECTOR**