

SAZGAR ENGINEERING WORKS LIMITED
CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

| | Six months to Dec. 2009 | Six months to Dec. 2008 |
|---|----------------------------|----------------------------|
| | Rupees | Rupees |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before taxation | 46,081,759 | (257,621) |
| Adjustment for non cash charges and other items: | | |
| Depreciation | 8,010,195 | 7,480,791 |
| Amortization | 311,916 | 312,099 |
| Provision for gratuity | 3,939,877 | 3,478,446 |
| Financial and other charges | 10,142,857 | 8,755,700 |
| Other Income | (428,678) | (156,032) |
| | <u>21,976,167</u> | <u>19,871,004</u> |
| Effect on cash flow due to working capital changes | 68,057,926 | 19,613,383 |
| (Increase)/decrease in current assets | | |
| Stores, spares and loose tools | (1,490,422) | (1,046,065) |
| Stock-in-trade | (120,446,755) | (15,487,996) |
| Trade debts | (6,631,239) | 121,954,360 |
| Loand and Advances | (1,433,277) | (18,298,091) |
| Trade deposits and short term prepayments | 6,107,422 | 3,524,411 |
| Other receivables | (3,688,602) | - |
| Increase (Decrease) in current liabilities | | |
| Trade and other payables | 29,849,718 | (69,070,344) |
| (Increase) /Decrease in longterm loans and advances | (1,280,000) | - |
| | <u>(99,013,155)</u> | <u>21,576,275</u> |
| Cash generated from/ (used in) operations | (30,955,229) | 41,189,658 |
| Financial charges paid | (4,442,543) | (5,963,377) |
| Income tax paid/deducted at source | (20,328,587) | (9,711,518) |
| Employees retirement benefit - Gratuity | (465,140) | (799,900) |
| Net cash inflow/ (outflow) from operating activities | (56,191,499) | 24,714,863 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Property, Plant and Equipment | (11,910,876) | (25,363,398) |
| (Increase)/Decrease in long term security deposits | 2,320 | (23,000) |
| Sale Proceed from sale of fixed assets | 592,116 | 592,529 |
| Security deposits with leasing companies | (360,150) | - |
| Net cash used in investing activities | (11,676,590) | (24,793,869) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of long term financing | (1,200,000) | (1,200,000) |
| Proceeds of short term borrowings | 78,600,000 | 33,858,868 |
| Repayment of short term borrowings | (71,548,200) | (47,708,315) |
| Repayment of finance lease | (4,495,094) | (5,623,488) |
| Net cash inflow/(outflow) from financing activities | 1,356,706 | (20,672,935) |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS | (66,511,383) | (20,751,941) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 19,832,563 | (15,061,078) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | (46,678,820) | (35,813,019) |

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