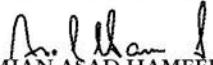



SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT(UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	Six months to Dec. 2010	Six months to Dec. 2009
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	67,975,048	46,081,759
Adjustment for non cash charges and other items:		
Depreciation	7,750,456	8,010,195
Amortization	371,781	311,916
Provision for gratuity	4,936,560	3,939,877
Financial and other charges	13,076,922	10,142,857
Other Income	(141,948)	(428,678)
	25,993,770	21,976,167
Effect on cash flow due to working capital changes	93,968,819	68,057,926
(Increase)/decrease in current assets		
Stores, spares and loose tools	(5,196,348)	(1,490,422)
Stock-in-trade	(26,890,736)	(120,446,755)
Trade debts	(4,734,707)	(6,631,239)
Loans and Advances	(7,082,184)	(1,433,277)
Trade deposits and short term prepayments	(42,904,137)	6,107,422
Other receivables	1,954,070	(3,688,602)
Increase/(Decrease) in current liabilities		
Trade and other payables	80,986,716	29,849,718
Increase in long term loans and advances	(711,000)	(1,280,000)
	(4,578,327)	(99,013,155)
Cash generated from/ (used in) operations	89,390,492	(30,955,229)
Financial charges paid	(6,889,309)	(4,442,543)
Income tax paid/deducted at source	(21,605,414)	(20,328,587)
Employees retirement benefit - Gratuity	(750,960)	(465,140)
Net cash inflow/ (outflow) from operating activities	60,144,810	(56,191,499)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant and Equipment	(7,295,703)	(11,910,876)
Decrease in long term security deposits	318,000	2,320
Sale Proceed from sale of fixed assets	-	592,116
Security deposits with leasing companies	(724,050)	(360,150)
Net cash used in investing activities	(7,701,753)	(11,676,590)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	(1,800,000)	(1,200,000)
Proceeds of short term borrowings	146,469,608	78,600,000
Repayment of short term borrowings	(143,559,617)	(71,548,200)
Repayment of finance lease	(3,955,196)	(4,495,094)
Proceeds from finance lease	4,102,950	-
Dividend paid	(12,235,254)	-
Net cash inflow/(outflow) from financing activities	(10,977,509)	1,356,706
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	41,465,547	(66,511,383)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(5,511,539)	19,832,563
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	35,954,008	(46,678,820)

The annexed notes from 1 to 15 form an integral part of these financial statements.


MIAN ASAD HAMEED
 CHIEF EXECUTIVE

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SAEED IQBAL KHAN
 DIRECTOR