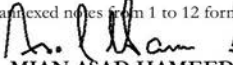


**SAZGAR ENGINEERING WORKS LIMITED**  
**CONDENSED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	Jul-Sep 2009	Jul-Sep 2008
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	25,942,694	5,496,972
<b>Adjustments for non cash charges and other items:</b>		
Depreciation	3,904,905	3,583,370
Amortization	155,958	156,141
Provision for gratuity	1,969,938	1,739,223
Financial and other charges	3,900,397	4,737,970
	9,931,198	10,216,704
<b>Effect on cash flow due to working capital changes</b>	35,873,892	15,713,676
<b>(Increase) / decrease in current assets:</b>		
Stores, spares and loose tools	(1,019,888)	(2,879,887)
Stock - in - trade	(65,665,352)	(1,755,815)
Trade debts	9,779,219	109,363,051
Loans & Advances	(2,785,970)	(26,997,455)
Trade Deposits and short term prepayments	(24,242,181)	1,819,414
Other receivables	(6,247,000)	-
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	(5,451,217)	(67,651,588)
	(95,632,389)	11,897,721
	(59,758,496)	27,611,397
Financial charges paid	(1,750,060)	(3,188,410)
Income tax paid / deducted at source	(8,853,518)	(5,827,976)
Employees retirement benefit - Gratuity	(176,000)	(239,400)
<b>Net Cash inflow / (outflow) from operating activities</b>	(70,538,074)	18,355,610
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant and Equipment	(10,309,590)	(22,857,803)
(Increase) / decrease in long term deposits	-	(20,000)
Sale proceeds from sale of fixed assets	-	512,529
<b>Net cash used in investing activities</b>	(10,309,590)	(22,365,274)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (repayment) of long term financing	(600,000)	(600,000)
Proceed from short term borrowings	8,444,762	11,386,511
Repayment of short term borrowings	(1,464,886)	(24,228,640)
Repayment of finance lease	(1,705,430)	(3,494,523)
<b>Net cash inflow/(outflow) from financing activities</b>	4,674,446	(16,936,652)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(76,173,218)	(20,946,316)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	19,832,563	(15,061,078)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	(56,340,655)	(36,007,394)

The annexed notes from 1 to 12 form an integral part of these financial statements.

  
**MIAN ASAD HAMEED**  
 CHIEF EXECUTIVE

  
**SAEED IQBAL KHAN**  
 DIRECTOR