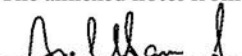


**SAZGAR ENGINEERING WORKS LIMITED**  
**CONDENSED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	Jul-Sep 2011 Rupees	Jul-Sep 2010 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	39,365,031	26,600,959
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	4,184,243	3,744,245
Amortization	40,057	181,324
Provision for gratuity	3,098,929	2,468,280
Financial and other charges	6,516,782	5,979,826
Other Income	(592,711)	(52,571)
	<u>13,247,300</u>	<u>12,321,103</u>
<b>Effect on cash flow due to working capital changes</b>	<b>52,612,332</b>	<b>38,922,062</b>
<b>(Increase)/decrease in current assets</b>		
Stores, spares and loose tools	(546,458)	1,606,105
Stock-in-trade	(35,776,050)	(39,223,765)
Trade debts	21,897,857	2,170,006
Loans and Advances	(1,431,263)	2,209,516
Trade deposits and short term prepayments	21,430,939	(11,985,256)
Other receivables	-	(861,726)
<b>Increase /(decrease) in current liabilities</b>		
Trade and other payables	3,104,152	(2,771,225)
<b>Increase in long term loans and advances</b>	<b>(723,000)</b>	<b>(223,500)</b>
	<u>7,956,178</u>	<u>(49,079,844)</u>
<b>Cash generated from/(used in) operations</b>	<b>60,568,509</b>	<b>(10,157,782)</b>
Financial charges paid	(4,870,147)	(3,788,163)
Income tax paid/deducted at source	(12,847,892)	(9,491,316)
Employees retirement benefit - Gratuity paid	(537,490)	(404,830)
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>42,312,980</b>	<b>(23,842,091)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant and Equipment	(690,989)	(4,434,174)
Proceeds from sale of fixed Assets	47,931	-
(Increase)/Decrease in long term deposits	(100,000)	300,000
Security deposits with leasing companies	(369,380)	(769,112)
<b>Net cash used in investing activities</b>	<b>(1,112,438)</b>	<b>(4,903,286)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	-	(600,000)
Proceeds from short term borrowings	71,011,310	51,528,802
Repayment of short term borrowings	(71,672,757)	(47,085,850)
Repayment of finance lease	(680,290)	(2,166,603)
Dividend Paid	(20,443)	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,362,180)</b>	<b>1,676,350</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>39,838,362</b>	<b>(27,069,027)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>(34,336,235)</b>	<b>(5,511,539)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5,502,127</b>	<b>(32,580,566)</b>

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

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

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