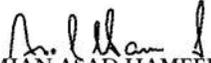


SAZGAR ENGINEERING WORKS LIMITED
CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	Jul-Sep 2010 Rupees	Jul-Sep 2009 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	26,600,959	25,942,694
Adjustment for non cash charges and other items:		
Depreciation	3,744,245	3,904,905
Amortization	181,324	155,958
Provision for gratuity	2,468,280	1,969,938
Financial and other charges	5,979,826	3,900,397
Other Income	(52,571)	-
	<u>12,321,103</u>	<u>9,931,198</u>
Effect on cash flow due to working capital changes	38,922,062	35,873,892
(Increase)/decrease in current assets		
Stores, spares and loose tools	1,606,105	(1,019,888)
Stock-in-trade	(39,223,765)	(65,665,352)
Trade debts	2,170,006	9,779,219
Loans and Advances	2,209,516	(2,785,970)
Trade deposits and short term prepayments	(11,985,256)	(24,242,181)
Other receivables	(861,726)	(6,247,000)
Increase /(Decrease) in current liabilities		
Trade and other payables	(2,771,225)	(5,451,217)
Increase in long term loans and advances	(223,500)	-
	<u>(49,079,844)</u>	<u>(95,632,389)</u>
Cash used in operations	<u>(10,157,782)</u>	<u>(59,758,497)</u>
Financial charges paid	(3,788,163)	(1,750,060)
Income tax paid/deducted at source	(9,491,316)	(8,853,518)
Employees retirement benefit - Gratuity paid	(404,830)	(176,000)
Net cash inflow/ (outflow) from operating activities	<u>(23,842,091)</u>	<u>(70,538,075)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant and Equipment	(4,434,174)	(10,309,590)
Decrease in long term deposits	300,000	-
Security deposits with leasing companies	(769,112)	-
Net cash used in investing activities	<u>(4,903,286)</u>	<u>(10,309,590)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	(600,000)	(600,000)
Proceeds of short term borrowings	51,528,802	8,444,762
Repayment of short term borrowings	(47,085,850)	(1,464,886)
Repayment of finance lease	(2,166,603)	(1,705,430)
Net cash inflow from financing activities	<u>1,676,350</u>	<u>4,674,446</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(27,069,027)</u>	<u>(76,173,218)</u>
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	<u>(32,580,566)</u>	<u>(56,340,655)</u>

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE

7


SAEED IQBAL KHAN
DIRECTOR