

# Cash Flow Statement

For the year ended June 30, 2005

	Note	2005	2004
		-----Rs. in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>			
Profit for the year from ordinary activities before taxation		80,866	48,047
<b>Adjustments for :</b>			
Gain on disposal of fixed assets		(586)	(1,058)
Exchange gain		(935)	(242)
Other receivables / fixed assets written off		-	214
Amortisation of deferred costs		209	1,373
Depreciation		5,464	4,508
Amortisation		449	277
Provision for gratuity		545	2,280
Interest / mark-up / profit income		(296,184)	(207,661)
Financial charges		172,888	124,050
Dividend income		(9,926)	(6,465)
Provision for doubtful finance / potential lease losses - general		6,352	6,106
Provision under SECP's Prudential Regulations for NBFCs against doubtful finance / lease losses - specific		785	740
		(120,939)	(75,878)
		(40,073)	(27,831)
<b>(Increase) / decrease in current assets :</b>			
Short-term finance		(36,915)	(2,235)
Fund placements		(54,848)	(244,430)
Short-term investments		(136,581)	434,659
Prepayments, receivables and other assets		(39,367)	(8,902)
		(267,711)	179,092
<b>Increase / (decrease) in current liabilities :</b>			
Short-term certificates of deposit		595,568	(107,958)
Borrowings from institutions		(55,382)	(389,812)
Accrued expenses and other liabilities		(16,057)	32,235
		524,129	(465,535)
<b>Cash generated / (used in) from operations</b>		216,345	(314,274)
Disbursements of long-term finance - net		(102,746)	(67,919)
Net investments in lease finance		(531,601)	(283,627)
Long-term deposits, prepayments and deferred costs - net		(2,083)	1,275
Repayments of long-term certificates of deposit - net		(54,279)	(61,059)
Receipts from deposits on lease contracts - net		107,555	58,874
Interest / mark-up / profit received		296,184	221,683
Financial charges paid		(184,102)	(109,497)
Dividend received		9,926	6,465
		(461,146)	(233,805)
<b>Net cash used in operating activities before income tax and gratuity</b>		(244,801)	(548,079)
Income tax paid		(13,723)	(24,338)
Gratuity paid		(1,100)	(6,150)
<b>Net cash used in operating activities</b>	<b>Balance c/f</b>	(259,624)	(578,567)

	Note	2005 -----Rs. in '000-----	2004
<b>Net cash used in operating activities</b>	<b>Balance b/f</b>	(259,624)	(578,567)
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>			
Acquisition of fixed assets		(42,114)	(8,329)
Sale proceeds of fixed assets		904	2,829
Net cash used in investing activities		(41,210)	(5,500)
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>			
Term finance certificates redeemed and sold - net		(178,550)	(63,040)
Proceeds from issue of right shares		-	100,000
Long-term borrowings - net		357,093	544,229
Payment of dividend		-	(8)
<b>Net cash generated from financing activities</b>		<b>178,543</b>	<b>581,181</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(122,291)</b>	<b>(2,886)</b>
Cash and cash equivalents at the beginning of the year		18,879	21,761
Effect of exchange rate changes on cash and cash equivalents		83	4
<b>Cash and cash equivalents at the end of the year</b>		<b>(103,329)</b>	<b>18,879</b>
<b>Cash and cash equivalents at the end of the year</b>			
Cash and bank balances	17	41,925	46,163
Running finance	26	(145,254)	(27,284)
		<b>(103,329)</b>	<b>18,879</b>

The annexed notes 1 to 54 form an integral part of these financial statements.

**SYED BABAR ALI**  
Chairman

**SAMIR AHMED**  
Managing Director & Chief Executive