

# Cash

## Flow Statement for the year ended June 30, 2006

	Note	2006	2005
		-----Rs in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>			
Profit for the year from ordinary activities before taxation		28,787	80,866
<b>Adjustments for :</b>			
Gain on disposal of fixed assets		(1,326)	(586)
Exchange (gain) / loss		8	(935)
Fixed assets written off		30	-
Amortisation of deferred costs		-	209
Depreciation		7,930	5,464
Amortisation		5,187	449
Provision for gratuity		1,528	545
Interest / mark-up / profit income		(426,384)	(296,184)
Financial charges		337,970	172,888
Dividend income		(13,377)	(9,926)
Provision for doubtful finance / potential lease losses - general		5,689	6,352
Provision under SECP's Prudential Regulations for NBFCs against doubtful finance / lease losses - specific		2,017	785
		(80,728)	(120,939)
		(51,941)	(40,073)
<b>(Increase) / decrease in current assets :</b>			
Short-term finance		(105,230)	(36,915)
Fund placements		(60,141)	(54,848)
Short-term investments		215,022	(136,581)
Trade debts		(31,615)	(41,250)
Prepayments, receivables and other assets		(94,971)	(39,367)
		(76,935)	(308,961)
<b>Increase / (decrease) in current liabilities :</b>			
Short-term certificates of deposit		539,644	595,568
Borrowings from institutions		(305,271)	(55,382)
Accrued expenses and other liabilities		58,835	25,193
		293,208	565,379
<b>Cash generated / (used in) from operations</b>		164,332	216,345
Disbursements of long-term finance - net		(141,220)	(102,746)
Net investments in lease finance		(261,794)	(531,601)
Long-term deposits, prepayments and deferred costs - net		(71)	(2,083)
Repayments of long-term certificates of deposit - net		11,908	(54,279)
Receipts from deposits on lease contracts - net		80,830	107,555
Interest / mark-up / profit received		418,599	296,184
Financial charges paid		(321,426)	(184,102)
Dividend received		10,876	9,926
		(202,298)	(461,146)
<b>Net cash used in operating activities before income tax and gratuity</b>		(37,966)	(244,801)
Income tax paid		(13,281)	(13,723)
Gratuity paid		(1,500)	(1,100)
<b>Net cash used in operating activities</b>	Balance c/f	(52,747)	(259,624)

	Note	2006 -----Rs in '000-----	2005
<b>Net cash used in operating activities</b> Balance b/f		(52,747)	(259,624)
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>			
Acquisition of fixed assets		(53,332)	(42,114)
Long term investments		(182,571)	-
Sale proceeds of fixed assets		2,462	904
<b>Net cash used in investing activities</b>		(233,441)	(41,210)
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>			
Proceeds from pre-IPO subscription towards issue of TFCS - net		369,950	-
Term finance certificates redeemed and sold - net		-	(178,550)
Long-term borrowings - net		275,000	357,093
Payment of dividend		(58,684)	-
<b>Net cash generated from financing activities</b>		586,266	178,543
<b>Net decrease in cash and cash equivalents</b>		300,078	(122,291)
Cash and cash equivalents at the beginning of the year		(103,329)	18,879
Effect of exchange rate changes on cash and cash equivalents		(8)	83
<b>Cash and cash equivalents at the end of the year</b>		<u>196,741</u>	<u>(103,329)</u>
<b>Cash and cash equivalents at the end of the year</b>			
Cash and bank balances	18	196,978	41,925
Running finance	28	(237)	(145,254)
		<u>196,741</u>	<u>(103,329)</u>

The annexed notes 1 to 57 form an integral part of these financial statements.

**SYED BABAR ALI**  
Chairman

**SAMIR AHMED**  
Managing Director & Chief Executive