

Cash Flow Statement

For the year ended June 30, 2005

	Note	2005	2004
		-----Rs. in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES :			
Profit for the year from ordinary activities before taxation		80,866	48,047
Adjustments for :			
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)
(Increase) / decrease in current assets :			
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
Increase / (decrease) in current liabilities :			
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)
Cash generated / (used in) from operations		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)
Net cash used in operating activities before income tax and gratuity		(244,801)	(548,079)
Income tax paid		(13,723)	(24,338)
Gratuity paid		(1,100)	(6,150)
Net cash used in operating activities	Balance c/f	(259,624)	(578,567)

	Note	2005 -----Rs. in '000-----	2004
Net cash used in operating activities	Balance b/f	(259,624)	(578,567)
CASH FLOWS FROM INVESTING ACTIVITIES :			
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)
CASH FLOWS FROM FINANCING ACTIVITIES :			
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)
Net cash generated from financing activities		178,543	581,181
Net decrease in cash and cash equivalents		(122,291)	(2,886)
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
Cash and cash equivalents at the end of the year		(103,329)	18,879
Cash and cash equivalents at the end of the year			
Cash and bank balances	17	41,925	46,163
Running finance	26	(145,254)	(27,284)
		(103,329)	18,879

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

SYED BABAR ALI
Chairman

SAMIR AHMED
Managing Director & Chief Executive