

Cash

Flow Statement for the year ended June 30, 2006

	Note	2006	2005
		-----Rs in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES :			
Profit for the year from ordinary activities before taxation		28,787	80,866
Adjustments for :			
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)
(Increase) / decrease in current assets :			
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)
Increase / (decrease) in current liabilities :			
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
Cash generated / (used in) from operations		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)
Net cash used in operating activities before income tax and gratuity		(37,966)	(244,801)
Income tax paid		(13,281)	(13,723)
Gratuity paid		(1,500)	(1,100)
Net cash used in operating activities	Balance c/f	(52,747)	(259,624)

	Note	2006 -----Rs in '000-----	2005
Net cash used in operating activities Balance b/f		(52,747)	(259,624)
CASH FLOWS FROM INVESTING ACTIVITIES :			
Acquisition of fixed assets		(53,332)	(42,114)
Long term investments		(182,571)	-
Sale proceeds of fixed assets		2,462	904
Net cash used in investing activities		(233,441)	(41,210)
CASH FLOWS FROM FINANCING ACTIVITIES :			
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)	-
Net cash generated from financing activities		586,266	178,543
Net decrease in cash and cash equivalents		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
Cash and cash equivalents at the end of the year		<u>196,741</u>	<u>(103,329)</u>
Cash and cash equivalents at the end of the year			
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