

**SALMAN NOMAN ENTERPRISES LIMITED**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2011**

	<b>2011</b>	<b>2010</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	43,793,869	28,706,358
<i>Adjustments for:</i>		
Depreciation	34,362,300	31,324,715
Provision for staff retirement benefits - gratuity	7,000,753	5,451,516
Exchange loss on revaluation of supplier credit	-	8,667,251
Provision for workers' welfare fund	-	617,341
Profit on bank deposits	(39,039)	-
Provision for workers' profit participation fund	2,304,941	1,543,353
Finance cost	70,047,621	58,282,384
Loss / (gain) on disposal of property, plant and equipment	(205,443)	80,800
Amortization of deferred income	(2,198,365)	(366,394)
	155,066,638	134,307,324
<b>Profit before working capital changes</b>		
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	(9,160,694)	(2,039,554)
Stock in trade	(117,907,058)	(848,033)
Trade debts	(17,095,437)	(812,281)
Loans and advances	(16,523,240)	5,700,056
Trade deposits and short term prepayments	8,908,425	(8,300,580)
Other receivables	1,688,181	(976,690)
Tax refund due from Government	572,754	(4,741,955)
	(149,517,069)	(12,019,036)
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	(1,133,181)	26,712,187
	4,416,388	149,000,475
<b>Cash generated from operations</b>		
<i>Payments for:</i>		
Finance cost	(67,711,022)	(58,248,762)
Staff retirement benefits - gratuity	(3,930,186)	(2,942,314)
Income taxes - net	(7,629,891)	(1,869,297)
	(79,271,100)	(63,060,373)
<b>Net cash generated from / (used in) operating activities</b>	(74,854,712)	85,940,102
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	509,000	18,700,000
Fixed capital expenditures	(19,868,223)	(27,232,624)
Long term deposits	3,360,150	(6,148,350)
Profit on bank deposits	39,039	-
	(15,960,034)	(14,680,974)
<b>Net cash used in investing activities</b>		
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<i>Increase in:</i>		
Long term financing	-	123,656,874
Long term loan obtained from directors	16,624,889	6,914,937
Short term borrowings - net	68,705,185	(49,969,513)
Long term loans from others	52,200,000	(7,025,732)
<i>Payments for:</i>		
Long term financing	(8,832,634)	(138,238,112)
Liabilities against assets subject to finance lease	(25,951,275)	157,872
Long term murabaha finance	(10,908,500)	(7,408,500)
	91,837,665	(71,912,174)
<b>Net cash generated from / (used in) financing activities</b>		
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	1,022,919	(653,046)
<b>Cash and cash equivalents at the beginning of the year</b>	6,952,148	7,605,194
<b>Cash and cash equivalents at the end of the year</b>	7,975,067	6,952,148

The annexed notes form an integral part of these financial statements

CHIEF EXECUTIVE

DIRECTOR