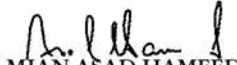



SAZGAR ENGINEERING WORKS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Six months to Dec. 2011 Rupees	Six months to Dec. 2010 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	90,307,254	67,975,048
Adjustment for non cash charges and other items:		
Depreciation	8,463,419	7,750,456
Amortization	77,031	371,781
Provision for gratuity	6,197,860	4,936,560
Financial and other charges	15,375,128	13,076,922
Other Income	(1,314,336)	(141,948)
	<u>28,799,101</u>	<u>25,993,770</u>
Effect on cash flow due to working capital changes	119,106,355	93,968,819
(Increase)/decrease in current assets		
Stores, spares and loose tools	(2,327,886)	(5,196,348)
Stock-in-trade	(19,933,551)	(26,890,736)
Trade debts	(8,482,909)	(4,734,707)
Loan and Advances	(1,093,150)	(7,082,184)
Trade deposits and short term prepayments	(24,977,025)	(42,904,137)
Other receivables	(35,000)	1,954,070
Increase in current liabilities		
Trade and other payables	20,359,045	80,986,716
Increase in long-term loans and advances	(1,215,300)	(711,000)
	<u>(37,705,775)</u>	<u>(4,578,327)</u>
Cash generated from operations	81,400,580	89,390,492
Financial charges paid	(7,655,549)	(6,889,309)
Income tax paid/deducted at source	(21,965,572)	(21,605,414)
Employees retirement benefit - Gratuity	(643,688)	(750,960)
Net cash inflow from operating activities	51,135,770	60,144,810
CASH FLOW FROM INVESTING ACTIVITIES		
Property, Plant and Equipment	(3,035,101)	(7,295,703)
(Increase)/Decrease in long term security deposits	(300,000)	318,000
Proceeds from sale of fixed assets	47,931	-
Security deposits with leasing companies	(369,380)	(724,050)
Net cash used in investing activities	(3,656,550)	(7,701,753)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	(1,800,000)
Proceeds of short term borrowings	154,077,753	146,469,608
Repayment of short term borrowings	(143,260,184)	(143,559,617)
Repayment of finance lease	(1,422,061)	(3,955,196)
Proceeds from finance lease	-	4,102,950
Dividend paid	(13,094,388)	(12,235,254)
Net cash (outflow) from financing activities	(3,698,880)	(10,977,509)
NET INCREASE IN CASH AND CASH EQUIVALENTS	43,780,340	41,465,547
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	(34,336,235)	(5,511,539)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9,444,105	35,954,008

The annexed notes from 1 to 15 form an integral part of these financial statements.


MIAN ASAD HAMEED
CHIEF EXECUTIVE

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SAEED IQBAL KHAN
DIRECTOR