

# SAZGAR ENGINEERING WORKS LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

	Six months to Dec. 2012	Six months to Dec. 2011
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	35,136,099	90,307,254
Adjustment for non cash charges and other items:		
Depreciation	8,855,356	8,463,419
Amortization	87,595	77,031
Provision for gratuity	6,822,032	6,197,860
Financial and other charges	8,953,318	15,375,128
Other Income	(2,033,607)	(1,314,336)
	22,684,693	28,799,101
<b>Effect on cash flow due to working capital changes</b>	57,820,792	119,106,355
<b>(Increase)/Decrease in current assets</b>		
Stores, spares and loose tools	1,721,927	(2,327,886)
Stock-in-trade	109,446,683	(19,933,551)
Trade debts	(2,259,410)	(8,482,909)
Loan and Advances	(1,176,910)	(1,093,150)
Trade deposits and short term prepayments	(7,349,341)	(24,977,025)
Other receivables	-	(35,000)
<b>Increase/(Decrease) in current liabilities</b>		
Trade and other payables	(81,332,831)	20,359,045
Increase in long-term loans and advances	(695,505)	(1,215,300)
	18,354,614	(37,705,775)
<b>Cash generated from operations</b>	76,175,406	81,400,580
Financial charges paid	(5,639,833)	(7,655,549)
Income tax paid	(20,260,897)	(21,965,572)
Employees retirement benefit - Gratuity Paid	(5,898,470)	(643,688)
Workers' Profit Participation Fund Paid	(6,254,288)	-
<b>Net cash generated from operating activities</b>	38,121,918	51,135,770
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant and Equipment Purchased	(6,345,305)	(3,035,101)
Increase in long term security deposits	(520,000)	(300,000)
Proceeds from disposal of Property, Plant and Equipment	2,100,000	47,931
Security deposits with leasing companies	(1,020,150)	(369,380)
<b>Net cash used in investing activities</b>	(5,785,455)	(3,656,550)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds of short term borrowings	75,821,078	154,077,753
Repayment of short term borrowings	(89,416,850)	(143,260,184)
Repayment of finance lease	(2,711,645)	(1,422,061)
Dividend paid	(17,776,360)	(13,094,388)
<b>Net cash used in financing activities</b>	(34,083,777)	(3,698,880)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,747,314)	43,780,340
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	8,983,613	(34,336,235)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7,236,299	9,444,105

The annexed notes from 1 to 16 form an integral part of these financial statements.

  
**MIAN ASAD HAMEED**  
 CHIEF EXECUTIVE

  
**SAIED IQBAL KHAN**  
 DIRECTOR