

**SAZGAR ENGINEERING WORKS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	First Quarter Ended	
	September 30, 2013 Rupees	September 30, 2012 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	17,050,312	16,628,037
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	4,885,767	4,287,486
Amortization	55,198	41,242
Provision for gratuity	3,478,113	3,411,015
Financial and other charges	1,233,557	5,188,939
Other Income	494,810	(341,379)
	<b>10,147,245</b>	<b>12,587,304</b>
<b>Working capital changes</b>	<b>27,197,557</b>	<b>29,215,340</b>
<b>(Increase)/decrease in current assets</b>		
Store, spares and loose tools	(519,561)	(867,607)
Stock-in-trade	(77,348,232)	60,835,615
Trade debts	(1,517,939)	19,857,069
Loans & Advances	(4,205,329)	(4,436,593)
Trade Deposits and short term prepayments	(631,622)	8,726,309
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	2,719,805	(88,972,331)
Increase in Long term loans and advances	(648,834)	(183,125)
	<b>(82,151,714)</b>	<b>(5,040,664)</b>
<b>Cash (used in) / generated from operations</b>	<b>(54,954,158)</b>	<b>24,174,677</b>
Finance costs paid	(1,369,068)	(3,197,817)
Income tax paid/deducted at source	(9,133,972)	(7,977,447)
Employees retirement benefit-Gratuity paid	(1,268,660)	(515,510)
<b>Net cash (used in) / generated from operating activities</b>	<b>(66,725,858)</b>	<b>12,483,903</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property, Plant and Equipment Purchased	(13,674,554)	(948,310)
Increase in long term deposits	-	(120,000)
Proceeds from sale of Property, Plant and Equipment	4,000	-
Security deposits with leasing companies	-	(723,150)
<b>Net cash used in investing activities</b>	<b>(13,670,554)</b>	<b>(1,791,460)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	94,294,123	46,484,745
Repayment of short term borrowings	(91,892,737)	(50,744,565)
Repayment of finance lease	(1,658,820)	(1,361,589)
<b>Net cash generated / (used in) financing activities</b>	<b>742,566</b>	<b>(5,621,410)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(79,653,846)</b>	<b>5,071,033</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>127,543,489</b>	<b>8,983,613</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>47,889,645</b>	<b>14,054,646</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



**MIAN ASAD HAMEED**  
CHIEF EXECUTIVE

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**MIAN MUHAMMAD ALI HAMEED**  
DIRECTOR