

SAPPHIRE FINISHING MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE, 2011

	2011 Rupees	2010 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year - before taxation	281,683,360	301,603,764
Adjustments for non-cash charges and other items:		
Depreciation	188,435,426	148,785,813
Amortization of intangible assets	223,800	0
Staff retirement benefits - gratuity	3,488,078	2,636,319
Provision for workers' (profit) participation / welfare fund	23,938,762	22,388,972
(Gain) / Loss on disposal of tangible fixed assets	9,043,159	(72,687)
Finance cost	265,889,921	152,200,181
Profit on bank deposits	0	(526,669)
Exchange fluctuation (gain) / loss	70,212	(30,896)
Provision for doubtful debts	18,927,451	1,692,942
CASH INFLOW FROM OPERATING ACTIVITIES		
- before working capital changes	791,700,169	628,677,739
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(55,746,708)	(179,768,926)
Stock-in-trade	(1,107,933,063)	(674,572,608)
Trade debts	(26,074,666)	(195,578,581)
Loans and advances	9,000,556	(21,636,741)
Deposits, other receivables, sales tax and excise duty	(18,321,739)	(40,174,597)
Increase / (decrease) in trade and other payables	269,504,484	498,697,893
	(929,571,136)	(613,033,560)
CASH INFLOW FROM OPERATING ACTIVITIES	(137,870,967)	15,644,179
Gratuity paid	(1,981,850)	(736,690)
Finance cost paid	(235,249,360)	(134,280,193)
Income taxes paid	(123,655,937)	(78,879,903)
Workers' (profit) participation fund	(17,180,245)	(12,687,934)
Long term loans	(530,000)	(607,900)
Long term deposits	(747,000)	(280,000)
	(379,344,392)	(227,472,620)
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	(517,215,359)	(211,828,441)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(447,992,129)	(628,396,757)
Sale proceeds of tangible fixed assets	3,717,692	700,000
Profit on bank deposits	0	526,669
Investment in foreign subsidiary	-	(838,700)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(444,274,437)	(628,008,788)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans - obtained	123,830,000	294,716,000
- repaid	(101,245,481)	(77,319,198)
Short term borrowings - net	919,441,480	653,801,404
Deposit for shares	0	(7,560,000)
NET CASH INFLOW FROM FINANCING ACTIVITIES	942,025,999	863,638,206
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,463,797)	23,800,977
CASH AND CASH EQUIVALENTS - at beginning of the year	32,488,619	8,687,642
CASH AND CASH EQUIVALENTS - at end of the year	13,024,822	32,488,619

The annexed notes 1 to 41 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR