

**SAPPHIRE FINISHING MILLS LIMITED  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2012**

	2012 Rupees	2011 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year - before taxation	565,833,673	281,683,360
Adjustments for non-cash charges and other items:		
Depreciation	239,174,832	188,435,426
Amortization of intangible assets	853,373	223,800
Staff retirement benefits - gratuity	7,093,649	3,488,078
Provision for workers' (profit) participation / welfare fund	41,936,116	23,938,762
Loss on disposal of tangible fixed assets	463,054	9,043,159
Finance cost	317,522,112	265,889,921
Exchange fluctuation (gain) / loss	(250,067)	70,212
Provision for doubtful debts	0	18,927,451
<b>Profit before working capital changes</b>	<b>1,172,626,742</b>	<b>791,700,169</b>
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(99,237,522)	(55,746,708)
Stock-in-trade	564,290,680	(1,107,933,063)
Trade debts	(51,713,370)	(26,074,666)
Loans and advances	(25,282,839)	9,000,556
Deposits, other receivables, sales tax and excise duty	(66,086,879)	(18,321,739)
Increase in trade and other payables	177,847,240	269,504,484
	<b>499,817,310</b>	<b>(929,571,136)</b>
<b>CASH GENERATED / (USED IN) OPERATING ACTIVITIES</b>	<b>1,672,444,052</b>	<b>(137,870,967)</b>
Gratuity paid	(2,438,240)	(1,981,850)
Finance cost paid	(324,280,041)	(235,249,360)
Income taxes paid	(123,594,457)	(123,655,937)
Workers' (profit) participation fund	(15,328,428)	(17,180,245)
Long term loans	(4,467,725)	(530,000)
Long term deposits	(312,120)	(747,000)
	<b>(470,421,011)</b>	<b>(379,344,392)</b>
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>1,202,023,041</b>	<b>(517,215,359)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(656,386,945)	(447,992,129)
Sale proceeds of tangible fixed assets	1,287,897	3,717,692
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(655,099,048)</b>	<b>(444,274,437)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans - obtained	252,352,000	123,830,000
- repaid	(78,819,070)	(101,245,481)
Short term borrowings - net	(587,502,398)	919,441,480
Dividend paid	(23,000,000)	-
Deposit for shares	(1,082,172)	-
<b>NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES</b>	<b>(438,051,640)</b>	<b>942,025,999</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>108,872,353</b>	<b>(19,463,797)</b>
<b>Cash and cash equivalents - at beginning of the year</b>	<b>13,024,822</b>	<b>32,488,619</b>
<b>Cash and cash equivalents - at end of the year</b>	<b>121,897,175</b>	<b>13,024,822</b>

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive

Director