

FAZAL CLOTH MILLS LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30,

	2006 Rupees	2005 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	65,674,838	61,661,573
Adjustments for:		
Depreciation of property, plant and equipment	57,013,324	51,481,887
Amortization of Intangible fixed assets	103,528	0
Provision for gratuity - net	(867,665)	267,999
Provision for Infrastructure cess	1,182,565	0
Gain on disposal of fixed assets - net	(181,928)	(295,549)
Finance cost	76,629,977	63,897,642
CASH INFLOW FROM OPERATING ACTIVITIES	199,554,639	177,013,552
- Before working capital changes	199,554,639	177,013,552
Decrease/(increase) in current assets		
Stores, spares and loose tools	7,128,765	(3,515,222)
Stock in trade	677,231,280	203,754,091
Trade debts	(71,137,622)	(97,000,802)
Loans and advances	(26,160,704)	(191,094,477)
Trade deposits and short term prepayments	(10,901,192)	3,194,098
Tax refunds due from the government	(316,007)	(11,934,313)
Other receivables	(3,557,858)	(951,523)
Increase/ (decrease) in trade and other payables	(18,819,810)	8,185,421
	553,466,852	(89,362,727)
CASH INFLOW FROM OPERATING ACTIVITIES	753,021,491	87,650,825
- Before taxation	753,021,491	87,650,825
Income tax paid	(12,708,671)	(4,241,655)
CASH INFLOW FROM OPERATING ACTIVITIES	740,312,820	83,409,170
- After taxation	740,312,820	83,409,170
Long term loans to employees - net	(224,662)	(395,000)
Long term deposits	0	(20,000)
NET CASH INFLOW FROM OPERATING ACTIVITIES	740,088,158	82,994,170
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(224,970,121)	(82,137,489)
Proceeds from disposal of fixed assets	707,050	1,049,000
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(224,263,071)	(81,088,489)
CASH FLOW FROM FINANCING ACTIVITIES		
Term finance -net	(35,118,206)	280,635,938
Demand finance -net	150,141,840	51,629,999
Murabaha finance-net	(7,127,441)	0
Short term borrowing - net	(617,319,479)	(324,763,226)
Finance cost paid	(81,049,540)	(37,896,481)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(590,472,826)	(30,393,770)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(74,647,739)	(28,488,089)
CASH AND CASH EQUIVALENTS - At the beginning of the period	327,267,326	175,754,914
CASH AND CASH EQUIVALENTS - At the end of the period	252,619,587	147,266,825

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

Sd/-
CHIEF EXECUTIVE

Sd/-
DIRECTOR

Sd/-
CHIEF FINANCIAL OFFICER