

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

	<b>2007</b>	<b>2006</b>
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the period - before taxation	<b>81,495,528</b>	65,674,838
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	<b>61,165,550</b>	57,013,324
Amortization of Intangible fixed assets	<b>149,505</b>	103,528
Provision for gratuity - net	<b>3,309,535</b>	(867,665)
Provision for Infrastructure cess	<b>1,483,452</b>	1,182,565
Gain on disposal of fixed assets - net	<b>(431,101)</b>	(181,928)
Finance cost	<b>90,722,619</b>	76,629,977
<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>237,895,088</b>	199,554,639
- Before working capital changes		
Decrease/(increase) in current assets		
Stores, spares and loose tools	<b>2,316,090</b>	7,128,765
Stock in trade	<b>477,611,169</b>	677,231,280
Trade debts	<b>58,741,570</b>	(71,137,622)
Loans and advances	<b>(73,365,911)</b>	(26,160,704)
Trade deposits and short term prepayments	<b>(10,240,979)</b>	(10,901,192)
Tax refunds due from the government	<b>(637,314)</b>	(316,007)
Other receivables	<b>3,477,077</b>	(3,557,858)
Increase/ (decrease) in trade and other payables	<b>16,250,185</b>	(18,819,810)
	<b>474,151,887</b>	553,466,852
<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>		
- Before taxation	<b>712,046,975</b>	753,021,491
Income tax paid	<b>(10,596,668)</b>	(12,708,671)
<b>CASH INFLOW FROM OPERATING ACTIVITIES</b>		
- After taxation	<b>701,450,307</b>	740,312,820
Long term loans to employees - net	<b>12,300</b>	(224,662)
Long term deposits	<b>(50,000)</b>	0
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>701,412,607</b>	740,088,158
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(10,028,817)</b>	(224,970,121)
Proceeds from disposal of fixed assets	<b>450,000</b>	707,050
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>(9,578,817)</b>	(224,263,071)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Term finance -net	<b>(30,149,200)</b>	(35,118,206)
Demand finance -net	<b>164,045,707</b>	150,141,840
Murabaha finance-net	<b>5,500,000</b>	(7,127,441)
Bills payable re-paid	<b>(181,209,394)</b>	0
Short term borrowing - net	<b>(562,214,190)</b>	(617,319,479)
Finance cost paid	<b>(90,661,930)</b>	(81,049,540)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>	<b>(694,689,007)</b>	(590,472,826)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,855,217)</b>	(74,647,739)
CASH AND CASH EQUIVALENTS - At the beginning of the period	<b>293,724,183</b>	327,267,326
CASH AND CASH EQUIVALENTS - At the end of the period	<b>290,868,966</b>	252,619,587

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

*Sd/-*  
**CHIEF EXECUTIVE OFFICER**

*Sd/-*  
**DIRECTOR**

*Sd/-*  
**CHIEF FINANCIAL OFFICER**