

FAZAL CLOTH MILLS LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2006

	Jul. 01, 2006 to Dec. 31, 2006	Jul. 01, 2005 to Dec. 31, 2005
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	101,376,561	95,657,139
Adjustments for:		
Depreciation of operating assets	117,762,512	102,235,365
Amortization of intangible assets	299,009	-
Provision for gratuity	5,314,256	2,521,510
Provision for infrastructure cess	3,238,784	-
Gain on disposal of operating assets	(181,929)	(407,612)
Finance cost	164,879,278	156,137,290
OPERATING CASH FLOWS BEFORE MOVEMENTS IN WORKING CAPITAL	392,688,471	356,143,692
Decrease / (increase)		
Stores, spares and loose tools	824,077	(11,886,939)
Stock in trade	(759,215,753)	(750,277,307)
Trade debts	(72,615,986)	(146,693,309)
Loans and advances	(43,030,950)	(234,580,310)
Trade deposits and short term prepayments	(14,120,618)	(2,804,438)
Tax refunds due from the Government	(5,262,091)	(5,367,167)
Other receivables	(10,736,645)	(8,482,936)
(Decrease) / increase in trade and other payables	(2,111,219)	22,623,309
	(906,269,185)	(1,137,469,097)
CASH USED IN OPERATING ACTIVITIES	(513,580,714)	(781,325,405)
Gratuity paid	(4,770,663)	(1,743,966)
Income tax paid	(23,553,032)	(16,097,950)
Long term loans to employees - net	205,500	(367,500)
Long term deposits	-	25,000
NET CASH USED IN OPERATING ACTIVITIES	(541,698,909)	(799,509,821)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(274,418,263)	(137,226,568)
Addition in intangible assets	(45,001)	(2,062,452)
Proceeds from disposal of operating assets	707,050	1,179,000
NET CASH USED IN INVESTING ACTIVITIES	(273,756,214)	(138,110,020)
CASH FLOWS FROM FINANCING ACTIVITIES		
Term finances - net	(55,536,781)	261,340,192
Demand finances - net	125,503,290	4,674,654
Long term Musharika and Murabaha - net	(70,892,087)	5,122,112
Short term borrowings - net	1,104,105,668	705,563,781
Dividend paid	(5,528)	(1,989)
Finance cost paid	(161,907,153)	(135,294,566)
NET CASH FROM FINANCING ACTIVITIES	941,267,409	841,404,184
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	125,812,286	(96,215,657)
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	453,079,612	79,539,257

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

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER