



## BHANERO TEXTILE MILLS LIMITED

### CASH FLOW STATEMENT ( UN-AUDITED ) FOR THE QUARTER ENDED SEPTEMBER 30, 2006

	(UN-AUDITED) SEPTEMBER 2006 RUPEES	(UN-AUDITED) SEPTEMBER 2005 RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	89,323,155	45,731,892
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	51,450,000	25,425,000
Provision for employees' benefits	3,315,000	2,550,000
Infrastructure fee	588,206	1,953,943
Gain on disposal of property, plant and equipment	(588,706)	(106,460)
Finance cost	56,601,737	26,276,705
<b>Operating cash flows before changes in working capital</b>	200,689,392	101,831,080
<b>(Increase)/decrease in current assets</b>		
Inventories	68,864,603	132,125,018
Trade debts	(49,526,493)	2,358,421
Loans and advances	942,282	(47,854,199)
Trade deposits	(9,010,485)	(11,923,277)
Other receivables	(2,881,127)	(64,971,178)
Taxation	1,936,744	(13,448,138)
	10,325,524	(3,713,353)
Decrease in trade and other payables	(124,177,511)	(49,181,061)
<b>Cash generated by operations</b>	86,837,405	48,936,666
Finance cost paid	(58,641,882)	(22,482,181)
Employees' benefits paid	(748,163)	(2,222,840)
Income taxes paid	(10,927,441)	(5,628,840)
Long term loans	(647,687)	(376,806)
Long term deposits	7,483,608	50,000
	(63,481,565)	(30,660,667)
<b>Net cash used in operating activities</b>	23,355,840	18,275,999

**MOHAMMAD SALIM**  
CHIEF EXECUTIVE / DIRECTOR



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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	1,195,000	510,000
Purchase of property, plant and equipment	(23,765,565)	(568,214,099)
<b>Net cash used in investing activities</b>	<b>(22,570,565)</b>	<b>(567,704,099)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipt of long term financing	-	400,000,000
Payment of long term financing	(30,000,000)	
Payment of long term financing -murahaba	(4,409,091)	(9,409,091)
Loan from sponsors	100,000,000	-
Payment of liability against assets subject to finance lease	(9,858,887)	(9,286,140)
Short term bank borrowings	(32,539,327)	218,860,237
<b>Net cash from financing activities</b>	<b>23,192,695</b>	<b>600,165,006</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>23,977,970</b>	<b>50,736,906</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>23,858,850</b>	<b>12,223,409</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>47,836,820</b>	<b>62,960,315</b>

**MOHAMMAD SHAKEEL**  
DIRECTOR