

# BHANERO TEXTILE MILLS LIMITED

## CASH FLOW STATEMENT

**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2006 (UNAUDITED)**

	Note	December 31 2006	December 31 2005
		.....Rupees.....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		139,057,402	78,919,121
<b>Adjustments for:</b>			
Depreciation on property, plant and equipment		100,133,194	58,003,830
Provision for employees' benefits		6,780,000	5,100,000
Infrastructure fee		631,732	2,657,117
Gain due to change in the fair value of investments available for sale		-	(32,500)
(Gain) / loss on disposal of property, plant and equipment		(852,030)	(116,414)
Finance cost		104,568,524	67,600,999
<b>Operating cash flows before changes in working capital</b>		350,318,822	212,132,153
<b>Changes in working capital</b>		(321,958,771)	(21,401,184)
<b>Cash generated by operations</b>		28,360,051	190,730,969
Finance cost paid		(110,380,537)	(49,083,308)
Employees' benefits paid		(1,876,825)	(3,618,164)
Income taxes refunded / (paid)		(19,364,383)	6,911,420
Long term loans		2,166,420	(1,138,591)
Long term deposits		7,012,493	50,000
		(122,442,832)	(46,878,643)
<b>Net cash used in operating activities</b>		(94,082,781)	143,852,326
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		1,690,000	630,000
Purchase of property, plant and equipment		(33,180,232)	(735,844,727)
<b>Net cash used in investing activities</b>		(31,490,232)	(735,214,727)
Receipt of long term financing		-	400,000,000
Payment of long term financing		(42,642,147)	(10,000,000)
Payment of long term murabaha		(10,909,091)	(10,909,091)
Loan from sponsors		100,000,000	-
Payment of liability against assets subject to finance lease		(19,866,397)	(18,712,269)
Short term bank borrowings		127,753,349	884,103,953
Dividend paid		(7,486,025)	(15,000,000)
<b>Net cash from financing activities</b>		146,849,689	1,229,482,593
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		21,276,676	638,120,192
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		23,858,850	12,223,409
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		45,135,526	650,343,601

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

**Muhammad Salim**  
Chief Executive

Muhammad Shakeel  
Director