

**INDUS DYEING & MANUFACTURING CO. LIMITED**  
**CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31,2005**

**DECEMBER**      **DECEMBER**  
**31,2005**      **31,2004**  
**-----Rs 000----**

**A. CASH FLOW FROM OPERATING ACTIVITIES**

Profit before taxation	279,261	247,089
Adjustments for :		
Depreciation	164,740	79,521
Gratuity	6,785	7,835
Provision for doubtful debts	-	1,000
Provision for appreciation in the value of investment	(1,163)	(935)
Provision for slow moving and obsolete stock	-	1,988
(Gain) on disposal of fixed assets	(895)	(410)
Financial charges	158,913	52,087
	<b>607,641</b>	<b>388,175</b>
 Changes in working capital		
(Increase)/decrease in current assets		
Stores spares and loose tools	(11,385)	(24,951)
Stock in trade	(929,333)	(407,202)
Trade debts	(52,107)	(121,428)
Loans and advances	(27,249)	(4,491)
Deposits and prepayments	1,643	3,573
Other receivables	(33,925)	(15,078)
Other financial assets	8,904	2,028
Increase in current liabilities		
Trade and other payables	119,539	56,251
	<b>(923,912)</b>	<b>(511,298)</b>
	<b>(316,271)</b>	<b>(122,123)</b>
Cash used in operations	(316,271)	(122,123)
Financial charges paid	(125,043)	(40,401)
Tax paid	(32,034)	28,504
Gratuity Paid	(4,080)	(15,704)
Long term deposits and prepayments	(2,294)	(1,985)
Net cash used in operating activities	<b>(479,722)</b>	<b>(151,710)</b>

**B. CASH FLOW INVESTING ACTIVITIES**

Fixed capital expenditure	(818,434)	(473,277)
Sale proceeds from disposal	8,592	1,951
Net cash used in investing activities	<b>(809,842)</b>	<b>(471,326)</b>

**C. CASH FLOW FINANCING ACTIVITIES**

Long term loan -net	250,550	401,675
Long term morhaba-net	52,000	(15,000)
Loan from directors- net	(116,191)	(19,588)
Repayment of liabilities against assets subject to finance lease	41,035	34,411
Short term borrowing-net	1,083,243	293,525
Dividend paid	(763)	(18,049)
Net cash from financing activities	<b>1,309,875</b>	<b>676,974</b>
Net increase in cash and cash equivalent (A+B+C)	<b>20,312</b>	<b>53,938</b>
Cash and cash equivalent at the beginning of the year	24,181	26,531
Cash and cash equivalent at the end of the year	<b>44,492</b>	<b>80,469</b>

The annexed notes form an integral part of these financial statements

**CHIEF EXECUTIVE**

**DIRECTOR**