

**D.M. TEXTILE MILLS LIMITED**  
**INTERIM CONDENSED CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2008**  
**(UN-AUDITED)**

	Half year ended	
	31 December 2008 Rupees	31 December 2007 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(25,090,629)	(6,431,518)
Adjustments for non cash charges and other items:		
Depreciation	13,471,706	14,178,302
Gratuity	2,345,588	2,024,278
Loss on sale of property, plant and equipment	614,364	-
Profit on investments	(21,492)	-
Finance cost	24,728,212	26,795,430
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>16,047,749</b>	<b>36,566,492</b>
<b>BEFORE WORKING CAPITAL CHANGES</b>		
<b>WORKING CAPITAL CHANGES</b>		
<b>(Increase)/decrease in current assets</b>		
Stores, spares and loose tools	(2,360,607)	(756,153)
Stock-in-trade	58,157,306	32,658,766
Trade debts	2,724,066	(7,260,803)
Advances	(7,095,737)	985,056
Short term deposits and prepayments	(2,017,929)	(1,021,465)
Other receivables	(1,267,020)	290,439
<b>Decrease in current liabilities</b>		
Trade and other payables	(53,332,130)	(2,908,864)
<b>NET CASH FLOW FROM WORKING CAPITAL CHANGES</b>	<b>(5,192,051)</b>	<b>21,986,976</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>10,855,698</b>	<b>58,553,468</b>
Finance cost paid	(16,067,546)	(24,152,555)
Income tax paid	(1,484,707)	(1,145,227)
Gratuity paid	(2,698,074)	(1,557,411)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(9,394,629)</b>	<b>31,698,275</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(981,379)	(1,653,791)
Proceeds from sale of property, plant and equipment	125,000	-
Profit on investments	32,238	-
Long term deposits	619,390	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(204,751)</b>	<b>(1,653,791)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of:		
Long term financing	(953,000)	(2,134,000)
Finance lease liabilities	(1,823,839)	(12,215,276)
Short term borrowings - net	19,278,841	(11,766,674)
Dividend paid	-	(228)
<b>NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES</b>	<b>16,502,002</b>	<b>(26,116,178)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>6,902,622</b>	<b>3,928,306</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>2,415,619</b>	<b>1,309,393</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>9,318,241</b>	<b>5,237,699</b>

The annexed notes form an integral part of this interim financial information.

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**CHIEF EXECUTIVE**

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**DIRECTOR**