

**D.M. TEXTILE MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2005**  
**(UN-AUDITED)**

	NOTE	31 December 2005 Rupees	31 December 2004 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	9	(11,973,962)	(2,015,118)
Financial charges paid		(13,121,069)	(3,623,720)
Taxes paid		(2,667,487)	(618,064)
Gratuity paid		(846,980)	(2,855,207)
Workers' profit participation fund paid		-	18,989
<b>Net cash used in operating activities</b>		<b>(28,609,498)</b>	<b>(9,093,120)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(57,829,798)	(4,905,816)
Fixed assets acquired under finance lease		(41,526,900)	-
Long term deposits		(6,479,196)	(1,565,386)
Proceeds from sale of property, plant and equipment		42,242,483	69,000
<b>Net cash used in investing activities</b>		<b>(63,593,411)</b>	<b>(6,402,202)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Proceeds from:</b>			
Finance leases		41,526,900	-
Short term borrowings		729,737,649	86,975,429
Subordinated loan		-	10,700,000
<b>Repayment of:</b>			
Long term finances		(9,960,597)	(953,000)
Finance leases		(8,990,602)	(1,569,158)
Short term borrowings		(675,771,114)	(88,317,202)
Dividend paid		(977,914)	-
<b>Net cash from financing activities</b>		<b>75,564,322</b>	<b>6,836,069</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(16,638,587)</b>	<b>(8,659,253)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>18,611,995</b>	<b>12,711,440</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>1,973,408</b>	<b>4,052,187</b>

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

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CHIEF EXECUTIVE

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DIRECTOR