

**D.M. TEXTILE MILLS LIMITED**  
**CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED 30 JUNE 2005**

	NOTE	30 June 2005 Rupees	30 September 2004 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	36	68,100,163	(25,630,664)
Financial charges paid		(15,751,479)	(7,236,144)
Taxes paid		(1,247,517)	(2,155,006)
Gratuity paid		(925,700)	(1,792,056)
Workers' profit participation fund paid		(516,000)	(512,639)
<b>Net cash from/(used in) operating activities</b>		<b>49,659,467</b>	<b>(37,326,509)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(40,988,127)	(24,512,341)
Fixed assets acquired under finance leases		(31,202,800)	(11,844,500)
Long term investment		(98,000)	-
Long term deposits		(2,493,311)	(4,165,796)
Proceeds from sale of property, plant and equipment		31,271,800	11,844,500
<b>Net cash used in investing activities</b>		<b>(43,510,438)</b>	<b>(28,678,137)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Proceeds from:</b>			
Long term finances		85,000,000	-
Finance leases		33,136,427	11,844,504
Short term borrowings		290,035,008	287,001,160
Subordinated loan		-	20,700,000
<b>Repayment of:</b>			
Long term finances		(82,703,435)	(3,293,653)
Finance leases		(9,699,087)	(1,948,607)
Subordinated loan		(20,700,000)	-
Short term borrowings		(309,147,186)	(226,072,069)
Dividend paid		(1,287,658)	-
<b>Net cash from/(used in) financing activities</b>		<b>(15,365,931)</b>	<b>88,231,335</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(9,216,902)</b>	<b>22,226,689</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>		<b>27,828,897</b>	<b>5,602,208</b>
<b>Cash and cash equivalents at the end of the period/year</b>		<b>18,611,995</b>	<b>27,828,897</b>

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

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CHIEF EXECUTIVE

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DIRECTOR